

REDEVELOPMENT AGREEMENT
80 S. 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 80 S. RIVER, LLC, an Illinois limited liability company (the “Developer”), and MICHAEL POULAKIDAS, MICHAEL RUSS and RUSS WOERMAN (each a “Guarantor”, and together 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 or blighted area,” as such terms are 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 City is the fee simple title holder to certain real estate located at the address commonly known as 80 S. River Street, Aurora, Illinois, which said real estate is depicted on Exhibit A and legally described on Exhibit B (the “Property”); and

WHEREAS, the City desires to donate the Property, appraised at a value of \$150,000.00, to the Developer on the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, Developer proposes to redevelop the Property, renovating the existing structures of the Property to include twenty-one (21) market rate residential units and approximately 20,000 square feet of office and retail 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; and (ii) commence, undertake and complete the Project in compliance with the approved plans and permits and city codes and other applicable Legal Requirements as defined below; and

WHEREAS, the Developer submitted a preliminary project plan, including preliminary construction drawings, a proforma contractor estimate of the construction costs (completed by a union or prevailing wage contractor), a proforma project budget and general description of the scope of the Project (the “Preliminary Project Plan”) (Exhibit C), 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 a total capital investment on the part of the Developer of approximately \$6,450,000.00 as set forth in the Preliminary Project Plan; and

WHEREAS, the Developer and Guarantors have provided the City with 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 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 D 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 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 equal to or greater than fifteen percent (15%) on an annual basis as determined by Exhibit E; 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;

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) 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.

(b) The Developer has an opportunity to revitalize the area by renovating the existing structures of the Properties to include twenty-one (21) market rate residential units and approximately 20,000 square feet of office and retail space. The redevelopment of the ground floor into modern office/retail space will provide locations for businesses.

(c) The Developer shall sell minimally 8,000 square feet of the property to Kluber, Inc., an Illinois corporation (“Kluber”). Such portion of the property shall hereinafter be referred to as the “Kluber Portion”.

(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 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.

(f) 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 Property. Prior to commencing construction on the Property, the Developer shall contract with a contractor that is approved by the City in the City’s reasonable discretion. Upon the Developer contracting with a Contractor approved by the City, the City shall provide the Developer with written authorization to commence construction on the Property.

(g) The City and the Developer agree to grant to the other party reasonable rights of access, licenses, or easements, including and without limitation those for ingress, egress, access, clearing and staging to allow the obliged party to discharge its duties and obligations hereunder and to allow the City to affix and maintain structures to the portion of the Property adjacent to the Fox River to the extent the same does not materially alter the Property.

(h) The Developer and successor owners agree to provide, upon the City's request, access to the east elevation of the Property for the purposes of constructing a cantilevered riverwalk (the “Riverwalk”), and upon completion of construction of said Riverwalk section, the Developer and successor owners further agree to grant public access to said section of the Riverwalk. The Developer and successor owners agree to cooperate in good faith with the City and the FoxWalk Overlay District Design Review Committee to allow for the completion of the Riverwalk and the granting of public access to said section of the Riverwalk.

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

(i) a grant from the City to the Developer in the amount of \$850,000 (the “Grant”). The City shall disburse thirty-three percent (33%) of the Grant amount to the Developer upon (i) the developer providing the City with final architectural drawings for the Project; (ii) the building permits being pulled by the Developer for the Project; (iii) completion of all applicable studies and reports; and (iv) the Developer providing the City with proof of sufficient financing, including but not limited to a written loan commitment from a registered bank, chartered credit union or other financial institutions and pledged equity, to fulfill its obligations under this Agreement. The City shall disburse the second thirty-three percent (33%) of the Grant amount upon the satisfactory completion of the rough-in inspection for the Project. The City shall disburse the final thirty-three percent (33%) of the Grant amount upon the Developer’s receipt of the Certificate of Project Completion, as is hereinafter defined.

(ii) the TIF Payments set forth in Section 3, below.

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

(j) 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 11, Section 18, and Section 27 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.

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 F (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 equal to or greater than fifteen percent (15%) on an annual basis as determined by Exhibit E. (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 once upon completion of the

Project, and as supplemented at a later date upon agreement between the Parties. These Redevelopment Project Costs shall include those expenses described in Exhibit F. 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 F 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 hereunder shall be made subject to the terms of Section 16 below. Developer’s initial designated entity is 80 S. River, 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 designor.

(f) THE CITY'S OBLIGATION TO PAY THE DEVELOPER THE TAX INCREMENT AMOUNTS (TIF PAYMENTS) AND OTHER INCENTIVES TO BE PROVIDED UNDER THIS AGREEMENT OWED 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.

(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 G (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 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."

(h) 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, to provide the Grant or transfer title of the Property to the Developer.

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 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.

Section 5. Transfer of Title of Property to Developer.

Contingent upon and concurrent with the closing of Developer's construction loan for the Project from a third-party lender, the City shall transfer ownership of the Property to the Developer provided that (1) no event of (uncured) default under this Agreement shall have occurred and be continuing and (2) the following conditions have been fulfilled:

(a) The Developer has provided the City with an executed copy of a purchase agreement for the Kluber Portion of the Property;

(b) The Developer has provided the City with final architectural drawings and construction plans for the Project, which the City deems adequate in its reasonable discretion; and

(c) The Developer and Guarantors have provided the City with financial statements which provide the City with reasonable assurance that the Developer and Guarantors have the financial resources necessary to complete the Project (collectively, the "Transfer Conditions").

The City shall, not later than five (5) business days after the Effective Date, deposit a deed transferring fee simple title for the Property to the Developer (the "Deed") 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 Deed (the “Instructions”) substantially in the form attached hereto as Exhibit H. The Instructions shall direct Escrowee to record the Deed and deliver the same to Developer only upon the satisfaction of the Transfer Conditions; provided, however, that the Deed shall be returned to the City in the event that each of the Transfer Conditions have not been fulfilled within six (6) months after the Effective Date, as determined by the City in its reasonable discretion. Concurrent with the recording of the Deed, the Escrowee shall also record a document evidencing the Reversionary Interest, as defined below. In the event the Transfer Conditions are not met within six (6) months after the Effective Date, the City may terminate this Agreement and upon such termination, this Agreement shall be null and void with the exception of Section 11, Section 18, and Section 27 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. Developer shall be responsible for the cost of any survey(s), 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 Property. The Parties agree and acknowledge, that the 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 Property.

Notwithstanding the foregoing, in the event the proposed sale of the Kluber Portion of the Property does not close within six (6) months after the Effective Date, as determined by the City in its reasonable discretion, the Developer shall take all steps to convey and otherwise transfer ownership of the Property back to the City (the “Reversionary Interest”) and the City may terminate this Agreement and upon such termination, this Agreement shall be null and void with the exception of Section 11, Section 18, and Section 27 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. The Developer shall be responsible for any and all associated costs in transferring ownership of the Property back to the City. Upon the closing of the proposed sale of the Kluber Portion of the Property, the Reversionary Interest shall be released.

Section 6. 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 transfer of the title to the Property from the City to the Developer. Time is of the essence in the performance of all the terms of this Agreement.

Section 7. Timing of Project.

The Project shall be completed in accordance with the Project Timeline as set forth in Exhibit I (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 8. 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 9. 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 sufficient financial and economic resources, including net liquid assets, to implement and complete the Developer's obligations contained in this Agreement.

(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 shall have retained professionals that are skilled in the development of real property 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 on the Property, if any, during the term of this Agreement.

(vi) 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.

(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; 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 10. 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. Notwithstanding any provision to the contrary, nothing in this Section limits or waives the City's rights under this Agreement.

Section 11. 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 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 Property of any toxic or hazardous substances of 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 Property, as well as any activity claimed to have been undertaken on or in the vicinity of the Property, that would cause or contribute to causing (1) the Property to become a treatment, storage or disposal facility within the meaning of, or otherwise bring the 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 Property, within the meaning of, or otherwise bring the 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 Property, of any substances or conditions in or on the 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 Property, or whether any above or underground tanks have been located under, in or about the 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 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 12. 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 13. 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 14. 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 15. 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 16. 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 18 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 17. 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 18. 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: 80 S. River, LLC
346 North Lake Street
Aurora, Illinois 60506
Attention: Mr. Michael Poulakidas

With a copy to: Nealis & Garrow, P.C.
2S889 Red Oak Drive
Elburn, Illinois 60119
Attention: Mr. Alan Garrow

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

Section 19. 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 Property, including the Developer, shall be bound to this Agreement only during the period such person or entity is the legal titleholder of the Property or a portion thereof, however, that all such legal title holders shall remain liable after their ownership interest in the Property ceases as to those liabilities and obligations which accrued during their period of ownership but remain unsatisfied or unperformed. To the extent reasonable and applicable, the term “Developer” shall mean successors and assigns of the Developer. A memorandum of this Agreement shall be recorded against the Property.

Section 20. 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 21. 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.

(vi) 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.

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

(viii) 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 is 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.

(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.

(g) In the event any default is not cured within the applicable cure periods and a Party employs an attorney or attorneys or incurs other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligation or agreement herein contained, the non-prevailing Party shall pay, on demand, the prevailing Party's, or Parties', reasonable fees of such attorneys and such other reasonable expenses in connection with such enforcement action.

Section 22. 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 23. Exhibits.

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

Section 24. Signs.

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

Section 25. 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 26. 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.

Section 27. 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 28. 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 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 29. 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.

80 S. RIVER, LLC,
An Illinois Limited Liability Company

By _____
Its: _____

GUARANTOR

By _____
Michael Poulakidas

GUARANTOR

By _____
Michael Russ

GUARANTOR

By _____
Russ Woerman

CITY OF AURORA, ILLINOIS
A Municipal Corporation

By _____
Mayor

ATTEST:

City Clerk

ACKNOWLEDGMENT

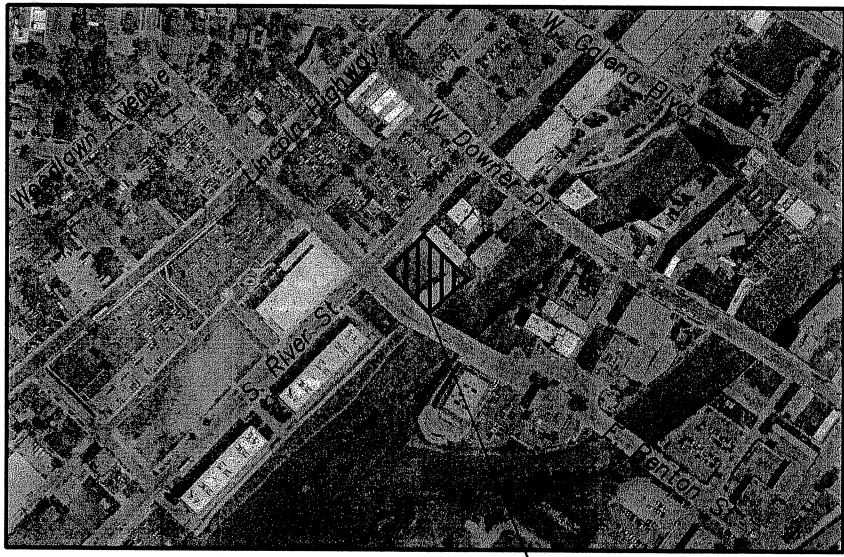
State of Illinois)
) SS
County of _____)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that _____ and _____, personally known to me to be the Mayor and City Clerk of the City of Aurora, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Mayor and City Clerk, they signed and delivered the said instrument and caused the corporate seal of said municipal corporation to be affixed thereto, pursuant to authority given by the City Council of said Illinois home rule municipal corporation, as their free and voluntary acts, and as the free and voluntary act and deed of said Illinois home rule municipal corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this _____ day of _____, 2019.

Notary Public

EXHIBIT A
PROPERTY DEPICTION



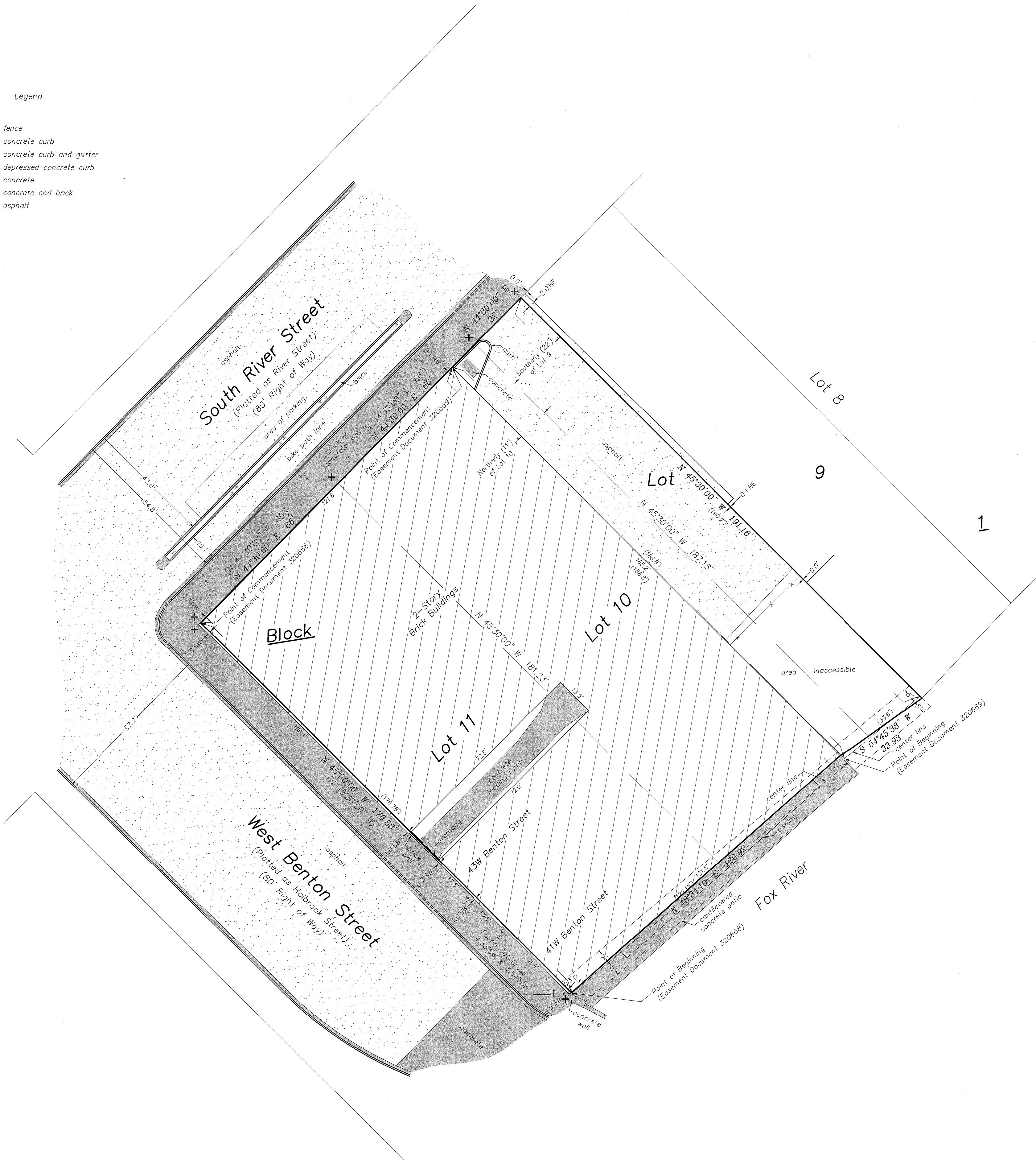
Subject Property

THE SOUTHERLY 22 FEET OF LOT 9 AND ALL OF LOTS 10 AND 11 IN BLOCK 1 OF THE ORIGINAL TOWN OF AURORA, ON THE WEST SIDE OF FOX RIVER, IN THE CITY OF AURORA, KANE COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 80 SOUTH RIVER STREET, AURORA ILLINOIS.

Legend

- x-x-x- = fence
- = concrete curb
- = concrete curb and gutter
- = depressed concrete curb
- = concrete
- = concrete and brick
- = asphalt



SURVEYOR'S NOTES:

1. DECLARATION IS MADE TO ORIGINAL PURCHASER OF THE SURVEY. IT IS NOT TRANSFERABLE TO ADDITIONAL INSTITUTIONS OR SUBSEQUENT OWNERS.
2. THE LOCATION AND/OR EXISTENCE OF UTILITY SERVICE LINES TO THE PROPERTY SURVEYED ARE UNKNOWN AND ARE NOT SHOWN.
3. NO ATTEMPT HAS BEEN MADE AS A PART OF THIS SURVEY TO OBTAIN OR SHOW DATA CONCERNING EXISTENCE, SIZE, DEPTH, CONDITION, CAPACITY, OR LOCATION OF ANY UTILITY OR MUNICIPAL/PUBLIC SERVICE FACILITY. FOR INFORMATION REGARDING THESE UTILITIES OR FACILITIES, PLEASE CONTACT THE APPROPRIATE AGENCIES.
4. SUBSURFACE AND ENVIRONMENTAL CONDITIONS WERE NOT EXAMINED OR CONSIDERED AS A PART OF THIS SURVEY. NO STATEMENT IS MADE CONCERNING THE EXISTENCE OF UNDERGROUND OR OVERHEAD CONTAINERS OR FACILITIES WHICH MAY AFFECT THE USE OR DEVELOPMENT OF THIS TRACT.
5. THE LOCATIONS OF UNDERGROUND UTILITIES AS SHOWN HEREON ARE BASED ON ABOVE GROUND STRUCTURES AND RECORD DRAWINGS PROVIDED THE SURVEYOR. LOCATIONS OF UNDERGROUND UTILITIES/ STRUCTURES MAY VARY FROM LOCATIONS SHOWN HEREON. ADDITIONAL BURIED UTILITIES/ STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES. BEFORE EXCAVATIONS ARE BEGUN, THE FOLLOWING OFFICES SHOULD BE CONTACTED FOR VERIFICATION OF UTILITY TYPE AND FOR FIELD LOCATIONS: TELEPHONE, ELECTRIC, WATER, SEWER, STORM, AND CABLE T.V.
6. THIS IS AN ALTA/NSPS SURVEY. IT IS NOT INTENDED TO BE USED AS THE BASIS FOR ENGINEERING/STRUCTURAL DESIGN.
7. THIS SURVEY DOES NOT CONSTITUTE A TITLE SEARCH BY SURVEYOR. ALL INFORMATION REGARDING RECORD EASEMENTS, ADJOINERS, AND OTHER DOCUMENTS WHICH MIGHT AFFECT THE QUALITY OF TITLE TO TRACT SHOWN HEREON WAS GAINED FROM TITLE COMMITMENT FILE NUMBER 16WSS147001AU PREPARED BY CHICAGO TITLE INSURANCE COMPANY WITH AN EFFECTIVE DATE OF SEPTEMBER 23, 2016. THE FOLLOWING COMMENTS CORRESPOND TO THE ITEMS NUMBERED IN THE ABOVE REFERENCED COMMITMENT.

TABLE A - OPTIONAL SURVEY RESPONSIBILITIES AND SPECIFICATIONS:

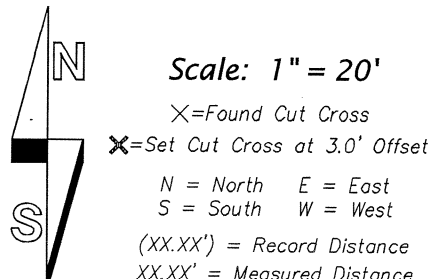
- ITEM 2 - ADDRESS DISCLOSED AS SHOWN ON SURVEY.
- ITEM 4 - GROSS LAND AREA = 28,091.0 SQUARE FEET
- 0.64 ACRES, MORE OR LESS.

TO: CITY OF AURORA; AND
CHICAGO TITLE INSURANCE COMPANY;

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 2 AND 4 OF TABLE A THEREOF. THE FIELD WORK WAS COMPLETED ON MAY 26, 2016.

DATED AT YORKVILLE, ILLINOIS ON November 23rd 2016.

ERIC C. POKORNY
ILLINOIS PROFESSIONAL LAND SURVEYOR NO. 3818

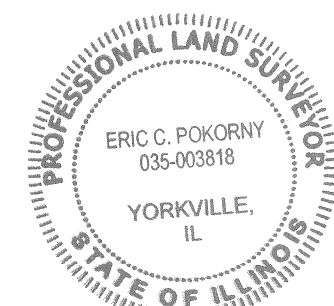


Michel C. Ensalaco, P.L.S. 2768, Exp. 11/30/2018
Eric C. Pokorny, P.L.S. 3818, Exp. 11/30/2018

TODD SURVEYING
Professional Land Surveying Services
"Cornerstone Surveying PC"

759 John Street, Suite D
Yorkville, IL 60560
Phone: 630-892-1309 Fax: 630-892-5544

Survey is only valid if original seal is shown in red.



Client: City of Aurora	
Book #/Sheet	Drawn By: MF/EP Plat # 2104
Reference:	
Field Work Completed: 11/02/2016	
Rev. Date	Rev. Description
Project Number:	
2016-1051 ALTA	

EXHIBIT B

PROPERTY LEGAL DESCRIPTION

The Southerly 22 Feet of Lot 9 and all of Lots 10 and 11 in Block 1 of the Original Town of Aurora, on the West Side of Fox River, in the City of Aurora, Kane County, Illinois.

PINs: 15-22-310-006
15-22-310-007

EXHIBIT C
PRELIMINARY PROJECT PLAN



General Description of the Scope of the Project

Proposal for an Adaptive Reuse of the former West Aurora Public School District 129 Administrative Building 80 S. River Street, Aurora, Illinois

The vision of the developer for the redevelopment of 80 S. River Street is to preserve the historical and architectural importance of the building while at the same time complementing and expanding upon the area's continuing redevelopment. As our renderings show, significant yet simple improvements will be made to enhance the overall feel of the building. The simplest of ideas will make the biggest impact - from the proposed canopy to thoughtful placement of exterior lighting. First class amenities will be offered to entice people to move downtown along the Fox River. Residents will get the opportunity to live in a technologically "smart building" that serves as a part of Aurora's history. The completed project will become a destination as part of the planned Riverwalk bringing life to the river front and connections to areas throughout the downtown.

Every step in our development will be sensitive to preserving Aurora's great history while looking forward to its bright future full of growth. This Aurora-centric group is already significantly invested in the City of Aurora and committed to seeing the Downtown area continue to grow and thrive.

80 S. River Street is located at the northeast corner of River Street and Benton Street in the heart of downtown Aurora. The primary goals of the Master Plan for Downtown Aurora are to make Downtown a thriving, mixed urban, live-work-learn-shop-play centerpiece that unites and energizes the entire city. The City also wants to leverage Waubensee Community College's reinvestment in Downtown, targeting the student population. Further, the City wants to substantially increase the number of relatively young residents living downtown, substantially increase the downtown workforce, create distinctive retail destinations that serve residents, attract visitors, and increase the tax base. The Master plan research show that *"there is a wealth of talent close to downtown Aurora, and many stakeholders have expressed a desire to work in the downtown.....(and) The City's fiber network, overseen by OnLight Aurora, is an attractive amenity to businesses....."* ***A Master Plan for Downtown Aurora, CMAP, 2017.***

80 S. River, LLC will help the City of Aurora achieve these goals set out by the Chicago Metropolitan Agency for Planning by creating a mixed-use residential and commercial property. Our development will include 19,000 SF of commercial space on the first floor and 19,000 SF of residential space on the second floor. On the first floor and lower level, approximately 10,000 SF will be dedicated to Kluber Architects along the Fox River that will relocate to Downtown Aurora bringing more than 20 professional jobs to downtown. The west side of the first floor has

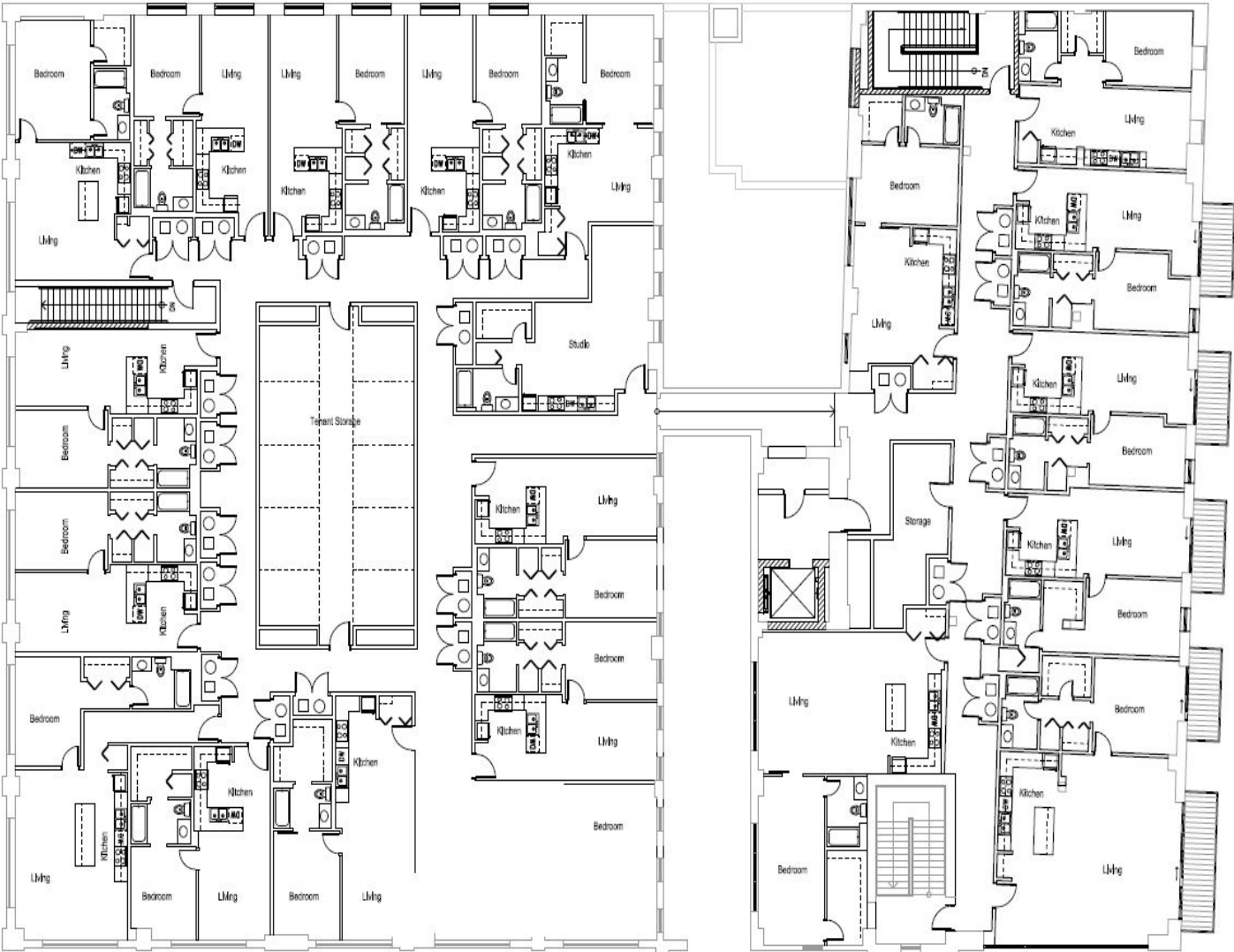


3 other businesses that have signed LOI's – Aurora Wire (a long time Aurora Union Electrical Company); KWCC (a long time Union Carpentry and Laborers Company); and Framing Fame – an Autographed Memorabilia and Custom Framing Company. The second floor will consist of 21 market rate apartments. The apartment units will be larger than comparable properties while proposing competitive rents - providing great value for potential residents. Our proposed development will attract everyone from younger professionals with disposable income (as the building can help suit their busy lifestyle) to empty nesters who do not want the hassle of home ownership and have disposable income to dine and be entertained in Downtown Aurora. Our development is expected to bring approximately 50 new jobs to Downtown Aurora along with at least 25 new residents. We anticipate the 25 new residents will bring \$2,000,000 of annual household income into the City. The 50 new jobs will generate at least \$3,000,000 of new payroll into Downtown Aurora. We further estimate that the new residents and employees will spend a minimum of \$1,000,000 in the City of Aurora annually on goods and services. This development will breathe new life into a building that has sat vacant for years and off the real estate property tax rolls for over two decades while meeting the goals of the Master Plan for Downtown Aurora.

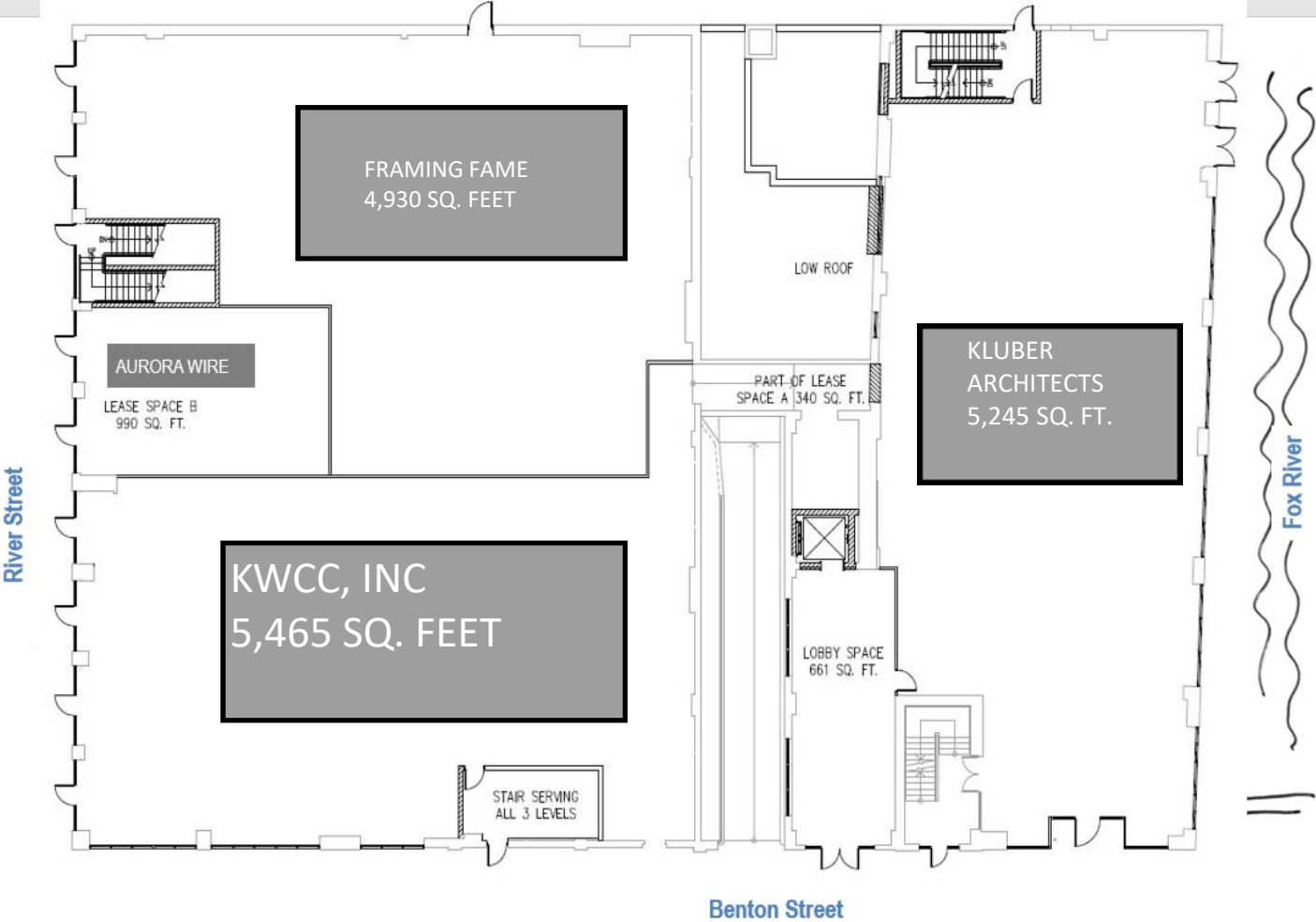
New windows at existing exterior wall

New exit stair

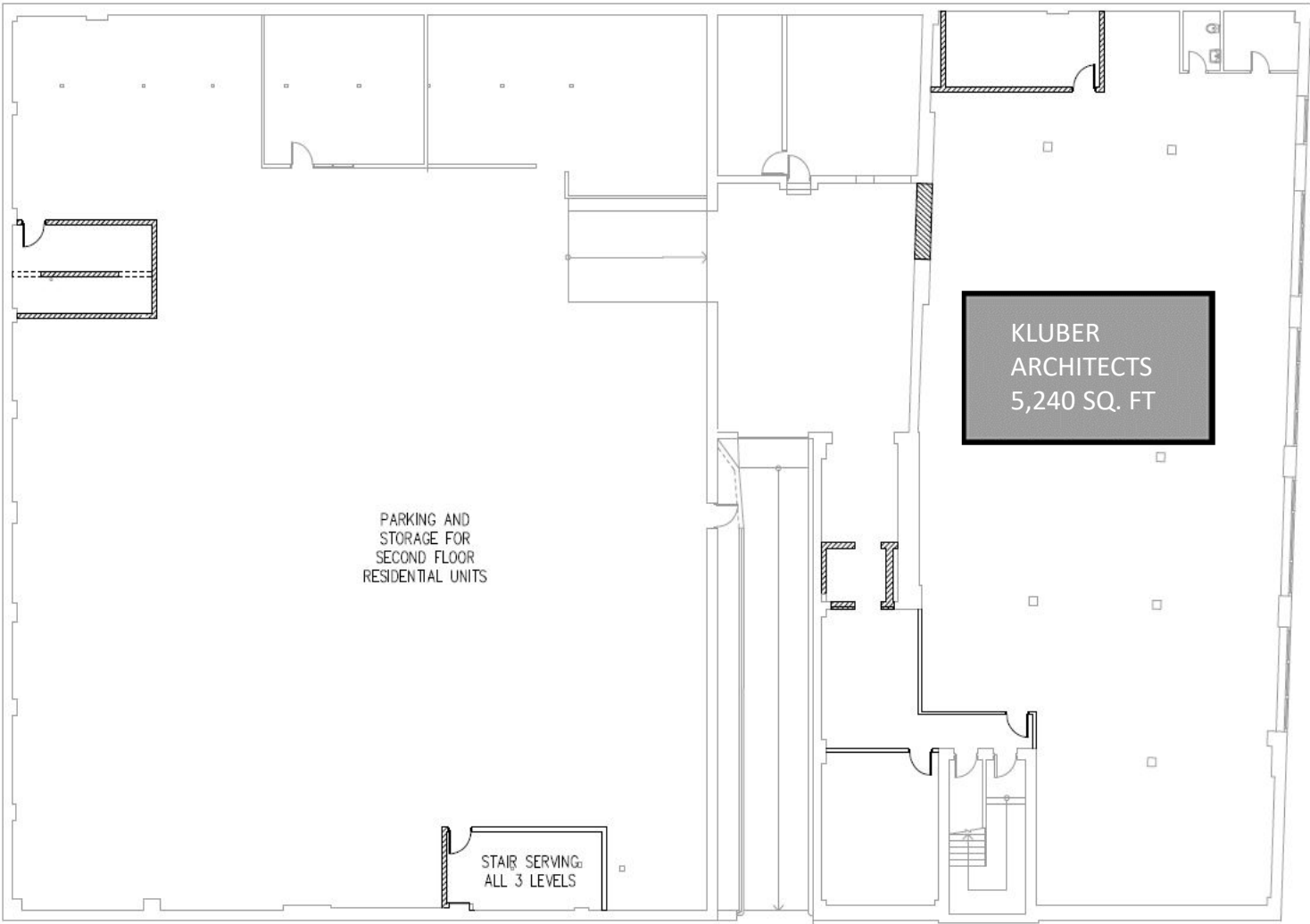
New balconies



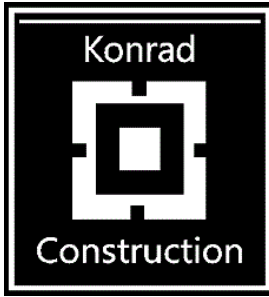
Second Level Plan



Street Level Plan



Lower Level Plan



TO: 80 S. River, LLC and Metro West Developers

Re: Estimate of Construction Costs for the Redevelopment and Adaptive Reuse of the former West Aurora Public School District 129 Administrative Building
80 S. River Street, Aurora, Illinois

Redevelopment Project Cost

Summary

Project: 80 S. River Development	Project Size:
Owner: 80 S. River LLC	Second Floor Area: 19,015
Date: 2/1/2019	First Floor Area: 19,015
ProposalNo 191001.01	Basement Area: 20,435
Proj.Status: Proposal Submittal	

Included in this information is the definition of the scope of work and any clarification of what is incorporated in the work.

Scope of Work

Konrad Construction proposes to furnish all necessary labor, supervision, tools, equipment, permits, and materials for the redevelopment of 80 S. River Street, Aurora, IL

General Procedures

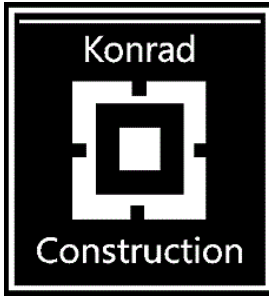
For the purpose of the safety of the individuals, access to the actual work area will be restricted once all the work has commenced. No personnel will be allowed access to any designated work area.

Contract Base

This proposal is based upon the specification or verbal instructions provided. Any deviations from the described may constitute a change order and will be negotiated separately.

Regulatory Note

All work will be performed in a professional manner and in complete compliance with the current standing Occupation Safety and Health Administrations (OSHA) regulations, along with acceptable industry practices.



On Site Utilities and Storage

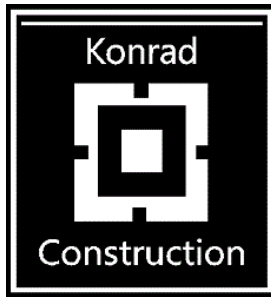
Property owner will provide electric, water and access to a sanitary drain per floor for use in the abatement. Daily storage of equipment will be necessary until completion of the project. Restroom facilities will also need to be provided on site.

Worker Certification

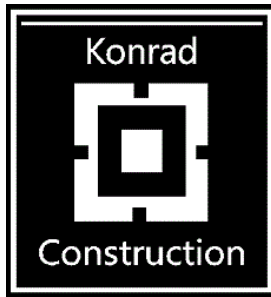
All workers will have all necessary accreditations for the performance of the work. All personnel will receive site-specific training.

Proposal Price

\$4,278,734 - See next page for the breakdown of costs

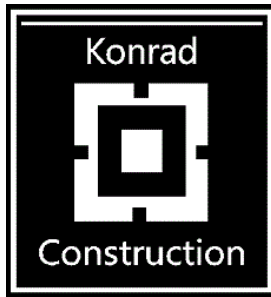


tem	COST ITEM	Quantity	Unit	Unit Price	Total	Notes
	EXTERIOR ENVELOPE					
01	Roof	20,435	SF	\$ 12.00	\$ 245,220	Demo + New,
02	Masonry Façade Repairs	24,570	SF	\$ 3.00	\$ 73,710	
03	Glazing/Windows	6,143	SF	\$ 20.00	\$ 122,850	
04	Overhead Door	1	Ea.	\$ 7,500.00	\$ 7,500	
05	Balcony (East Side)	5	Ea.	\$ 6,000.00	\$ 30,000	
06	Misc. Sealant/Caulk	24,570	Ea.	\$ 0.70	\$ 17,199	
	TOTAL EXTERIOR ENVELOPE COSTS				\$ 496,479	
	SECOND FLOOR					
07	Demolition	19,015	SF	\$ 2.00	\$ 38,030	
08	General New Construction	19,015	SF	\$ 75.00	\$ 1,426,125	
09	MEP Infrastructure	19,015	SF	\$ 20.00	\$ 380,300	
10	Furnace	22	Ea.	\$ 2,500.00	\$ 55,000	
11	Plumbing Fixtures	22	Ea.	\$ 3,500.00	\$ 77,000	Water Heater, Bathroom Vanity, Shower, Bathroom Sink, Kitchen Sink, Disposal
	TOTAL SECOND FLOOR COSTS				\$ 1,976,455	
	FIRST FLOOR					
12	Demolition	19,015	SF	\$ 5.00	\$ 95,075	
13	Core/Shell Improvements	19,015	SF	\$ 40.00	\$ 760,600	
14	MEP Infrastructure	19,015	SF	\$ 30.00	\$ 570,450	
	TOTAL FIRST FLOOR COSTS				\$ 1,426,125	
	BASEMENT					
15	Misc. Clean/Paint	20,435	SF	\$ 5.00	\$ 102,175	
	TOTAL BASEMENT COSTS				\$ 102,175	
	OTHER					
16	New Elevator	1	Ea.	\$ 150,000.00	\$ 150,000	Includes shaft modifications/MEP
17	New Stair	1	Ea.	\$ 15,000.00	\$ 15,000	
18	Existing Stair Modifications	3	Ea.	\$ 7,500.00	\$ 22,500	
19	Misc. Structural Reinforcing	1	Allow	\$ 25,000.00	\$ 25,000	
20	Northeast Walkway	1	Allow	\$ 20,000.00	\$ 20,000	
21	Miscellaneous Site Allowance	1	Allow	\$ 45,000.00	\$ 45,000	ramp, northeast corner
	TOTAL OTHER COSTS				\$ 277,500	
	TOTAL PROJECT COST				\$ 4,278,734	



**KONRAD CONSTRUCTION, INC.
GENERAL TERMS AND CONDITIONS**

1. These General Terms and Conditions are an integral part of the Proposal to 80 S River, LLC (hereinafter the "Client") and supersede any and all conflicting Client Terms and Conditions
2. The term "Konrad Construction" shall mean Konrad Construction, Inc.
3. This proposal is valid for thirty (30) days from the date above written. Upon execution by the Client, this Proposal, including these Terms and Conditions, shall become our Agreement for Professional Services. Any additions, deletions, or changes to this Proposal or these Terms and Conditions by the Client shall be subject to an acceptance in writing prior to execution of work by Konrad Construction. Allowing Konrad Construction to commence work or preparation of work will constitute acceptance by Client of this proposal and all of its Terms and Conditions.
4. Client acceptance of this proposal in writing, via email, a purchase order or other mechanism, followed by client canceling or delaying work after Konrad Construction has incurred costs to commence accepted work will require client to be charged and pay for such expenses incurred, regardless if the work is performed.
5. (a) The scope of the project shall be only that as is described in this Agreement and include all and only such work as Konrad Construction deems necessary to carry out and complete the project. The project scope shall not be altered except by mutual agreement and proper written authorization to proceed via change order or contract modification.
(b) Unless otherwise expressly agreed, the fees and charges for the project as set forth in this Agreement constitute and are based on Konrad Construction's best estimates of time and effort required to complete the project.
(c) The Client warrants that Konrad Construction will be able to proceed with the project without delay or interruption.
(d) For those projects involving conceptual project development work, activities are often not fully definable in the initial planning. As the project progresses, the facts uncovered may dictate a change in direction which may alter the scope. Konrad Construction will inform the client of identified unusual situations so that negotiation of change in scope can be accomplished if required.
(e) If, during the course of the prescribed work, additional services are requested, such additional scope of work and compensation shall be agreed to in writing prior to undertaking additional work. If, for any reason additional services, are requested by the Client, and Konrad Construction delivers them in good faith without written authorization, Konrad Construction shall be compensated in accordance with its then prevailing fee schedule or rate sheet as applicable.
6. Estimates, opinions and statement of probable construction costs prepared by Konrad Construction are its best judgment as a design professional and are supplied for the general guidance of the Client. As Konrad Construction has no control over the costs of labor and material, contractor bid and costing methods, or over competitive market conditions, Konrad Construction cannot and does not guarantee that such estimates will not vary from contractor's bids or actual cost to the client.
7. Konrad Construction shall not be responsible for a Contractor's construction means, methods, techniques, warranties, sequence or procedures, or for safety precautions and programs in or for the safety and integrity of any such Contractors; or third persons work, or for the act or omissions of any Contractor or third person, or their agents or employees
8. (a) Konrad Construction makes no warranty, either expressed or implied, as to its findings, design, recommendations, plans, drawings, calculations, specifications, or professional advice except that they have been prepared in accordance with current generally accepted professional practices.
(b) The Client shall make no demand for liquidated or actual damages for delays.
(c) The Client will make no demand for damages resulting from loss of use or lost business opportunities due to delays.
9. Drawings, calculations, and specifications developed by Konrad Construction as instruments of service for this project are and shall remain at all times the exclusive property of Konrad Construction until they are paid for in full.
10. (a) Unless stated otherwise in the proposal, the Client shall pay Konrad Construction as the work proceeds, with fees and other project costs invoiced as the work progresses. Terms shall be net thirty (30) days. Overdue accounts are subject to a service charge of 1.5 percent per month on the unpaid balance. This is an annual rate of 18 percent.
(b) Invoices shall be considered correct as rendered if not questioned in writing within ten (10) calendar days of the date of the invoice.
(c) Failure to pay any invoice when due shall entitle Konrad Construction to suspend or terminate all work on the project, at its option. In the event of such suspension or termination, Client waives all rights, claims, etc., which it might otherwise have against Konrad Construction as a direct or indirect result of such suspension or termination.
(d) Should Konrad Construction bring any action or proceeding at law or in equity to enforce payment of unpaid invoices, together with any and all service charges, and if Konrad Construction recovers judgment in any sum, Konrad Construction shall also recover as reasonable counsel fees 40 percent of the amount decreed due for principal, service charges and interest, as well as litigation and collection expenses, witness fees and court costs.
11. Konrad Construction shall not be liable for an omission causing an increase in the cost of the related project which may have been a required part of the related project had Konrad Construction not made the omission.
12. (a) This Agreement may be terminated by either party upon ten (10) days written notice should the other party fail substantially to perform in accordance with its terms.



(b) In the event this Agreement is terminated, Konrad Construction shall be paid its compensation for services performed to the termination date, including reimbursable expenses and termination expenses, pursuant to this paragraph.

13. (a) Neither party shall hold the other responsible for damages or delay caused by acts of God, strikes, lockouts, accidents, or other events beyond the party's control.

(b) Konrad Construction will not be responsible for special, accidental or consequential damages. Nor shall it be responsible for damage to its work caused by other parties.

(c) Under no circumstances will Konrad Construction be liable for damages of any kind in excess of the value of this agreement.

14. In the event any provisions of this agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provisions, terms, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

15. This Agreement shall be binding upon both parties and their respective successors, assigns, and personal representative. Neither party shall assign its or his interest in this Agreement without written consent of the other.

16. The client named on this proposal/contract agrees that Konrad Construction, Inc. incurs substantial recruiting, screening, training, administrative and marketing expenses in connection with the Konrad Construction, Inc. employee(s) that it will provide to deliver EHS services for this proposal/ contract. The client agrees that if the client hires, directly or indirectly, any Konrad Construction, Inc. employee within 365 days of the contracted service, the client will pay \$50,000 to Konrad Construction, Inc.

17. Insurance Fees- A 1.8% insurance fee will be billed based on the total value of this project work. Any other special insurance requirements of the client that cost over and beyond what our extensive coverage currently offers will be billed to the client for this project work.

18. This Agreement constitutes the entire and integrated Agreement between the Client and Konrad Construction, and supersedes all prior negotiations, representations or agreements, whether written or oral except as are specifically incorporated by reference. This Agreement may not be amended except by written instrument signed by Konrad Construction.

19. This Agreement shall be governed by the laws of the State of Illinois.

PRO FORMA PROJECT BUDGET

Uses	
Item	Amount
Land Cost	\$ 150,000
Construction Costs	\$ 4,300,000
Soft Costs	\$ 600,000
Includes: Architect fees	
Engineer fees	
Attorney fees	
Developer Fee	\$ 480,000
Financing Costs	\$ 240,000
Reserves	\$ 180,000
Tenant Buildout	\$ 500,000
Total	\$ 6,450,000

Sources	
Item	Amount
City of Aurora (Grant)	\$ 150,000
Senior Debt (Mortgage)	\$ 3,095,000
Developers Fee Waived	\$ 280,000
Developers Fee Deferred	\$ 200,000
Partners Contribution	\$ 1,575,000
City Incentive	\$ 850,000
Sale of Office Condo	\$ 300,000
Total	\$ 6,450,000

EXHIBIT D

DEPICTION OF REDEVELOPMENT PROJECT AREA

Proposed TIF #15



Legend

 TIF_#15

 Parcels


 Major Streets

EXHIBIT E
ROI TABLE

RETURN ON INVESTMENT TABLE

YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Residential Income																							
Net Residential Income	\$350,640	\$352,530	\$363,789	\$374,392	\$386,238	\$398,391	\$410,860	\$422,709	\$434,893	\$447,423	\$460,309	\$473,560	\$487,189	\$501,207	\$515,625	\$530,455	\$545,710	\$561,402	\$577,545	\$594,152	\$611,236	\$628,814	\$646,898
Commercial Income																							
Net Commercial Income	\$133,565	\$133,565	\$137,572	\$141,699	\$145,950	\$150,329	\$154,838	\$159,484	\$164,268	\$169,196	\$165,558	\$170,525	\$175,641	\$180,910	\$186,337	\$191,928	\$197,685	\$203,616	\$209,724	\$216,016	\$222,497	\$229,172	\$236,047
Effective Income																							
Effective Gross Income	\$449,141	\$468,469	\$483,172	\$497,372	\$512,876	\$528,800	\$545,155	\$561,057	\$577,417	\$594,248	\$602,852	\$620,407	\$638,471	\$657,057	\$676,181	\$695,860	\$716,110	\$736,948	\$758,392	\$780,460	\$803,171	\$826,544	\$850,599
TIF Revenue	\$0	\$103,397	\$123,177	\$126,009	\$130,034	\$134,354	\$138,776	\$143,319	\$147,717	\$152,264	\$156,940	\$167,944	\$172,325	\$177,382	\$182,543	\$187,856	\$193,323	\$198,949	\$204,738	\$210,696	\$216,827	\$223,136	\$229,630
Total Gross Income	\$449,141	\$571,865	\$606,348	\$623,381	\$642,910	\$663,154	\$683,931	\$704,377	\$725,134	\$746,512	\$759,791	\$788,351	\$810,796	\$834,439	\$858,724	\$883,716	\$909,433	\$935,897	\$963,130	\$991,156	\$1,019,998	\$1,049,681	\$1,080,229
Expenses																							
Total Operating Expenses	\$163,725	\$291,918	\$319,963	\$327,850	\$337,560	\$347,754	\$358,206	\$368,655	\$379,080	\$389,831	\$378,101	\$396,704	\$407,654	\$419,569	\$431,778	\$444,345	\$457,276	\$470,583	\$484,276	\$498,368	\$512,870	\$527,795	\$543,155
Net Operating Income																							
Net Operating Income	\$285,416	\$279,947	\$286,385	\$295,531	\$305,350	\$315,400	\$325,726	\$335,721	\$346,054	\$356,681	\$381,690	\$391,647	\$403,142	\$414,870	\$426,945	\$439,371	\$452,157	\$465,314	\$478,854	\$492,788	\$507,128	\$521,886	\$537,074
Debt Service																							
Debt Service Principal	\$57,179	\$60,555	\$64,130	\$67,916	\$71,926	\$76,172	\$80,670	\$85,432	\$90,476	\$95,818	\$101,475	\$107,466	\$113,811	\$120,530	\$127,646	\$135,182	\$143,164	\$151,616	\$160,567	\$170,047	\$180,087	\$190,719	\$201,979
Debt Service Interest	\$176,471	\$173,095	\$169,520	\$165,734	\$161,724	\$157,478	\$152,981	\$148,218	\$143,174	\$137,832	\$132,175	\$126,184	\$119,839	\$113,120	\$106,004	\$98,468	\$90,487	\$82,034	\$73,083	\$63,603	\$53,563	\$42,931	\$31,671
Debt Service P & I	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650	\$233,650
Return on Investment																							
Net Operating Cashflow	\$51,766	\$46,297	\$52,735	\$61,881	\$71,700	\$81,750	\$92,076	\$102,071	\$112,404	\$123,031	\$148,040	\$157,997	\$169,492	\$181,220	\$193,295	\$205,721	\$218,506	\$231,664	\$245,204	\$259,138	\$273,478	\$288,236	\$303,424
Cash on Cash ROI Equity	3.29%	2.94%	3.35%	3.93%	4.55%	5.19%	5.85%	6.48%	7.14%	7.81%	9.40%	10.03%	10.76%	11.51%	12.27%	13.06%	13.87%	14.71%	15.57%	16.45%	17.36%	18.30%	19.27%
CAP Rate	4.80%	4.70%	4.81%	4.97%	5.13%	5.30%	5.47%	5.64%	5.82%	5.99%	6.41%	6.58%	6.78%	6.97%	7.18%	7.38%	7.60%	7.82%	8.05%	8.28%	8.52%	8.77%	9.03%
Debt Service Coverage Ratio	1.22	1.20	1.23	1.26	1.31	1.35	1.39	1.44	1.48	1.53	1.63	1.68	1.73	1.78	1.83	1.88	1.94	1.99	2.05	2.11	2.17	2.23	2.30

EXHIBIT F

ELIGIBLE REDEVELOPMENT PROJECT COST SCHEDULE

ELIGIBLE REDEVELOPMENT PROJECT COSTS

Uses	
Item	Amount
Land Cost	\$ 150,000
Construction Costs	\$ 4,300,000
Soft Costs	\$ 600,000
Includes: Archictect fees	
Engineer fees	
Attorney fees	
Developer Fee	\$ 480,000
Financing Costs	\$ 240,000
Reserves	\$ 180,000
Tenant Buildout	\$ 500,000
Total	\$ 6,450,000

Sources	
Item	Amount
City of Aurora (Grant)	\$ 150,000
Senior Debt (Mortgage)	\$ 3,095,000
Developers Fee Waived	\$ 280,000
Developers Fee Deferred	\$ 200,000
Partners Contribution	\$ 1,575,000
City Incentive	\$ 850,000
Sale of Office Condo	\$ 300,000
Total	\$ 6,450,000

EXHIBIT G

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. Such certificates of insurance as are required under Section 12 of this Agreement.
3. A certificate of occupancy from the City for the Subject Property.

EXHIBIT H
ESCROW INSTRUCTIONS

[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”), 80 S. RIVER, LLC, an Illinois limited liability company (“80 S. River”), and [CHICAGO TITLE INSURANCE COMPANY, a Florida corporation authorized to conduct business in the State of Illinois] (“Escrow Agent”, and with the City and 80 S. River, the “Parties”).

PREAMBLES

WHEREAS, pursuant to that certain Redevelopment Agreement entered into by and between the City and 80 S. River (the “RDA”), a copy of which is attached hereto as Exhibit A, the City intends to transfer title to certain real estate located at the address commonly known as 80 S. River Street, Aurora, Illinois 60506 (the “Property”) subject to certain obligations being met by 80 S. River; and

WHEREAS, pursuant to the terms of the RDA, the City 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 City shall deposit the Deed with the Escrow Agent.

Section 4. Disposition of Deed.

- (a) Escrow Agent shall hold the Deed in an escrow account until the City and 80 S. River provide a joint letter of instruction (“Letter of Instruction”) directing the Escrow Agent to record the Deed, and deliver the same to 80 S. River concurrent with 80 S. River closing on its construction loan for the Project from a third-party lender. The Letter of Instruction shall include statements that the following conditions have been met:

- (1) No event of (uncured) default by 80 S. River under the RDA shall have occurred and be continuing;
- (2) 80 S. River has provided the City with an executed copy of a purchase agreement for the Kluber Portion of the Property.
- (3) 80 S. River has provided the City with final architectural drawings and construction plans for the Project, which the City deems adequate in its reasonable discretion; and
- (4) 80 S. River and Guarantors have provided the City with financial statements which provide the City with reasonable assurance that the Developer and Guarantors have the financial resources necessary to complete the Project (collectively, the "Transfer Conditions").

Concurrent with the recording of the Deed, the Escrow Agent shall also record a document evidencing the Reversionary Interest.

- (b) In the event of Escrow Agent does not receive the Letter of Instruction by [_____], Escrow Agent shall return the Deed 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 80 S. River.

Section 6. Assignment

- (a) This Agreement may not be assigned by 80 S. River without the prior written consent of the City, which shall be requested by the 80 S. River (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 80 S. River, 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 80 S. River. 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 80 S. River 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: 80 S. River, LLC
346 North Lake Street
Aurora, Illinois 60506
Attention: Mr. Michael Poulakidas

With a copy to: Nealis & Garrow, P.C.
2S889 Red Oak Drive
Elburn, Illinois 60119
Attention: Mr. Alan Garrow

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

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, 80 S. River 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.

80 S. RIVER, LLC,
An Illinois Limited Liability Company

By _____
Its: _____

CHICAGO TITLE INSURANCE COMPANY,
A Florida Corporation

By _____
Its: _____

CITY OF AURORA, ILLINOIS
A Municipal Corporation

By _____
Mayor

ATTEST:

City Clerk

EXHIBIT I
PROJECT TIMELINE

80 South River - Project Time Line

