FY 2023
ANNUAL TAX INCREMENT FINANCE REPORT

SUSANA A. MENDOZA
ILLINOIS STATE COMPTROLLER

Name of Municipality:	Village of Morton Grove	Reporting Fiscal Year:	2023
County:	Cook	Fiscal Year End:	_12__ / __31_ / 2023
Unit Code:	016/365/32		

FY 2023 TIF Administrator Contact Information-Required

First Name:	**Charles**	Last Name:	**Meyer**
Address:	6101 Capulina	Title:	Village Administrator
Telephone:	847-965-4100	City:	Morton Grove Zip: 60053
E-mail	**cmeyer@mortongroveil.org**		

I attest to the best of my knowledge, that this FY 2023 report of the redevelopment project area(s)

in the **City/Village** of: **Morton Grove**
is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].

Chm Mye
Written signature of TIF Administrator

12/17/24
Date

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

FILL OUT ONE FOR EACH TIF DISTICT

Name of Redevelopment Project Area	Date Designated MM/DD/YYYY	Date Terminated MM/DD/YYYY
Lincoln Lehigh RPA	10/25/2021	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: The Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

SECTION 2 [Sections 2 through 8 must be completed for each redevelopment project area listed in Section 1.]

FY 2023

Name of Redevelopment Project Area:

Lincoln Lehigh

Primary Use of Redevelopment Project Area*:	Combined/Mix

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

If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was the Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act	X
Industrial Jobs Recovery Law	______

Please utilize the information below to properly label the Attachments.

	No	Yes
For redevelopment projects beginning prior to FY 2022, were there any amendments, to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] **If yes, please enclose the amendment (labeled Attachment A).** For redevelopment projects beginning in or after FY 2022, were there any amendments, enactments or extensions to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] **If yes, please enclose the amendment, enactment or extension, and a copy of the redevelopment plan (labeled Attachment A).**	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] **Please enclose the CEO Certification (labeled Attachment B).**		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] **Please enclose the Legal Counsel Opinion (labeled Attachment C).**		X
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented and a description of the redevelopment activities. [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] **If yes, please enclose the Activities Statement (labled Attachment D).**	X	
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] **If yes, please enclose the Agreement(s) (labeled Attachment E).**		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information (labeled Attachment F).	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] **If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G).**	X	
Were there any reports ***submitted to*** the municipality ***by*** the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] **If yes, please enclose the Joint Review Board Report (labeled Attachment H).**	X	
Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] **If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached (labeled Attachment J).**	X	
An analysis prepared by a financial advisor or underwriter, chosen by the municipality, setting forth the nature and term of obligation; projected debt service including required reserves and debt coverage; and actual debt service. [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] **If attachment I is yes, the Analysis and an accompanying letter from the municipality outlining the contractual relationship between the municipality and the financial advisor/underwriter MUST be attached (labeled Attachment J).**	X	
Has a cumulative of $100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) **If yes, please enclose audited financial statements of the special tax allocation fund (labeled Attachment K).**	X	
Cumulatively, have deposits of incremental taxes revenue equal to or greater than $100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] **If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3 (labeled Attachment L).**	X	
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] **If yes, please enclose the list only, not actual agreements (labeled Attachment M).**	X	
For redevelopment projects beginning in or after FY 2022, did the developer identify to the municipality a stated rate of return for each redevelopment project area? Stated rates of return required to be reported shall be independently verified by a third party chosen by the municipality. **If yes, please enclose evidence of third party verification, may be in the form of a letter from the third party (labeled Attachment N).**		X

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

FY 2023

Name of Redevelopment Project Area:

Lincoln Lehigh

Provide an analysis of the special tax allocation fund.

Special Tax Allocation Fund Balance at Beginning of Reporting Period $ 10,167,774

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	$ 51,437	$ 51,437	0%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	$ 24,058		0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources	$ 2,788,000	$ 13,201,404	100%
Private Sources			0%
Other (identify source ______________; if multiple other sources, attach schedule)			0%

All Amount Deposited in Special Tax Allocation Fund	$ 2,863,495		
Cumulative Total Revenues/Cash Receipts		$ 13,252,841	100%
Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	$ 254,966		
Transfers to Municipal Sources			
Distribution of Surplus			
Total Expenditures/Disbursements	$ 254,966		
Net/Income/Cash Receipts Over/(Under) Cash Disbursements	$ 2,608,529		
Previous Year Adjustment (Explain Below)			
FUND BALANCE, END OF REPORTING PERIOD*	$ 12,776,303		

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

Previous Year Explanation:

SECTION 3.2 A [65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c)]

FY 2023

Name of Redevelopment Project Area:

Lincoln Lehigh

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
PAGE 1

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
TIF financial consultant	250	
		$ 250
2. Annual administrative cost.		
		$ -
3. Cost of marketing sites.		
		$ -
4. Property assembly cost and site preparation costs.		
Cook County License & Tree Mitigation Fee	188,056	
Forest Preserve buffer clearing	10,712	
		$ 198,768
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
Architectural and engineering service - Metra Station	53,978	
		$ 53,978
6. Costs of the constructuion of public works or improvements.		
Engineering - main street water main	1,970	
		$ 1,970

SECTION 3.2 A
PAGE 2

7. Costs of eliminating or removing contaminants and other impediments.		
		$ -
8. Cost of job training and retraining projects.		
		$ -
9. Financing costs.		
		$ -
10. Capital costs.		
		$ -
11. Cost of reimbursing school districts for their increased costs caused by TIF assisted housing projects.		
		$ -
12. Cost of reimbursing library districts for their increased costs caused by TIF assisted housing projects.		
		$ -

SECTION 3.2 A
PAGE 3

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

TOTAL ITEMIZED EXPENDITURES		**$ 254,966**

Section 3.2 B [Information in the following section is not required by law, but may be helpful in creating fiscal transparency.]

FY 2023

Name of Redevelopment Project Area:

Lincoln Lehigh

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

Name	Service	Amount
Cook County Forest Preserve	License & Buffer Clearing	$ 198,768.00
RM Swanson	Architectural & Engineering	$ 48,729.00

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

FY 2023

Name of Redevelopment Project Area:

Lincoln Lehigh

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

FUND BALANCE BY SOURCE	$ 12,776,303

1. Description of Debt Obligations	**Amount of Original Issuance**	**Amount Designated**
Total Amount Designated for Obligations	$ -	$ -

2. Description of Project Costs to be Paid	**Amount of Original Issuance**	**Amount Designated**
Metra Reconstruction		$ 4,000,000
Developer Assistance - Metro on Main		$ 5,915,000
Developer Assistance - Other sites		$ 2,000,000
Infrastructure Improvements		$ 2,100,000
Specific Site Improvements		$ 1,000,000
Total Amount Designated for Project Costs		$ 15,015,000

TOTAL AMOUNT DESIGNATED	$ 15,015,000
SURPLUS/(DEFICIT)	$ (2,238,697)

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

FY 2023

Name of Redevelopment Project Area:

Lincoln Lehigh

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

X	**Indicate an 'X' if no property was acquired by the municipality within the redevelopment project area.**

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

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

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

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

Property (5):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (6):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (7):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 [20 ILCS 620/4.7 (7)(F)]

FY 2023

Name of Redevelopment Project Area:

Lincoln Lehigh

PAGE 1

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

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

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

2. The municipality **DID** undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a and 2b.)	X
2a. The total number of **ALL** activities undertaken in furtherance of the objectives of the redevelopment plan:	1
2b. The total number of **NEW** projects undertaken by the municipality in fiscal year 2022 and any fiscal year thereafter, within the Revelopment Project area, if any.	

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

TOTAL:	**11/1/99 to Date**	**Estimated Investment for Subsequent Fiscal Year**	**Total Estimated to Complete Project**
Private Investment Undertaken (See Instructions)	$ -	$ 48,100,000	$ 48,100,000
Public Investment Undertaken	$ -	$ 5,915,762	$ 5,915,762
Ratio of Private/Public Investment	0		8 3/23

Project 1 Name: Metro on Main

Private Investment Undertaken (See Instructions)		$ 48,100,000	$ 48,100,000
Public Investment Undertaken		$ 5,915,762	$ 5,915,762
Ratio of Private/Public Investment	0		8 3/23

Project 2 Name:

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

Project 3 Name:

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

Project 4 Name:

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

Project 5 Name:

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

Project 6 Name:

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

SECTION 6 [Information requested in SECTION 6.1 is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.
SECTIONS 6.2, 6.3, and 6.4 are required by law, if applicable. (65 ILCS 5/11-74.4-5(d))]

FY 2023
Name of Redevelopment Project Area:
Lincoln Lehigh

SECTION 6.1-For redevelopment projects beginning before FY 2022, complete the following information about job creation and retention.

Number of Jobs Retained	Number of Jobs Created	Job Description and Type (Temporary or Permanent)	Total Salaries Paid
			$ -

SECTION 6.2-For redevelopment projects beginning in or after FY 2022, complete the following information about projected job creation and actual job creation.

Project Name	The number of jobs, if any, projected to be created at the time of approval of the redevelopment agreement.		The number of jobs, if any, created as a result of the development to date, for the reporting period, under the same guidelines and assumptions as was used for the projections used at the time of approval of the redevelopment agreement.	
	Temporary	Permanent	Temporary	Permanent
Metro on Main	0	0	0	0

SECTION 6.3-For redevelopment projects beginning in or after FY 2022, complete the following information about increment projected to be created and actual increment created.

Project Name	The amount of increment projected to be created at the time of approval of the redevelopment agreement.	The amount of increment created as a result of the development to date, for the reporting period, using the same assumptions as was used for the projections used at the time of the approval of the redevelopment agreement.
Metro on Main	$27,000,000	$0

SECTION 6.4-For redevelopment projects beginning in or after FY 2022, provide the stated rate of return identified by the developer to the municipality and verified by an independent third party, IF ANY:

Project Name	Stated Rate of Return
Metro on Main	24

SECTION 7 [Information in the following section is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

FY 2023

Name of Redevelopment Project Area:

Lincoln Lehigh

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

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

SECTION 8 [Information in the following section is not required by law, but may be helpful in evaluating the performance of TIF in Illinois.]

FY 2023

Name of Redevelopment Project Area:

Lincoln Lehigh

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

Year of Designation	Base EAV	Reporting Fiscal Year EAV
2021	$ 5,679,013	6,191,734

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

| | **Indicate an 'X' if the overlapping taxing districts did not receive a surplus.**

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

Office of the Mayor and Board of Trustees

MORTON GROVE

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Lincoln-Lehigh Tax Increment Financing Redevelopment District

Certificate of Compliance

REPORT PERIOD: January 1, 2023 to December 31, 2023

DATE OF REPORT: December 6, 2024

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

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

Sincerely,

Daniel DiMaria
Village President

Cc: Village Board of Trustees

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6101 Capulina Avenue · Morton Grove, IL 60053-2985
Tel: 847 965-4100 · www.mortongroveil.org · Fax: 847 965-4162

Office of the Corporation Counsel

MORTON GROVE

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December 6, 2024

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

RE: Audit of the Financial Statements
Fiscal Year ending December 31, 2023
Lincoln-Lehigh Tax Increment Financing Redevelopment District

Dear Mayor DiMaria:

OPINION OF CORPORATION COUNSEL

I, Teresa Hoffman Liston, Corporation Counsel for the Village of Morton Grove, Cook County, Illinois, was the Corporation Counsel for the fiscal year beginning January 1, 2023, and ending December 31, 2023, and have reviewed information provided to me by the Village's administration and staff pertaining to the Lincoln-Lehigh Tax Increment Financing Redevelopment Project Area.

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

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

Sincerely,

Teresa Hoffman Liston
Corporation Counsel

Cc: Village Board of Trustees

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Attachment E

AFTER RECORDING RETURN TO:
Village of Morton Grove
6101 Capulina Avenue
Morton Grove, Illinois 60053

THIS SPACE FOR RECORDER'S USE ONLY

ECONOMIC INCENTIVE AND TAX INCREMENT ALLOCATION FINANCING
DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE VILLAGE OF MORTON GROVE, ILLINOIS,
AND
METRO ON MAIN, L.L.C.,
AN ILLINOIS LIMITED LIABILITY COMPANY

DATED AS OF ______, 2023

ECONOMIC INCENTIVE AND
TAX INCREMENT ALLOCATION FINANCING
DEVELOPMENT AGREEMENT

THIS ECONOMIC INCENTIVE AND TAX INCREMENT ALLOCATION FINANCING DEVELOPMENT AGREEMENT (***"Agreement"***), is dated the _______ day of ____________, 2023 (***"Effective Date"***), and is by and between the Village Of Morton Grove, an Illinois municipal corporation (***"Village"***), and Metro on Main LLC, an Illinois limited liability company (***"Developer"***), (the Village and Developer may each be referred to as a ***"Party"*** and collectively referred to as ***"Parties"***).

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

SECTION 1. RECITALS.

1. The Village is a home rule unit by virtue of the provisions of the 1970 Constitution of the State of Illinois.

2. The Village has the authority, pursuant to the laws of the State of Illinois, to promote the health, safety, and welfare of the Village and its inhabitants, to prevent the spread of blight, to encourage private development to enhance the local tax base, to increase employment, and to enter into contractual agreements with third parties for the purpose of achieving these purposes.

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

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

5. The Village is authorized under Section 8-1-2.5 of the Illinois Municipal Code (65 ILCS 5/8-1-2.5) to appropriate and expend funds for economic development purposes, including, without limitation, the making of grants to any commercial enterprise, that are deemed necessary or desirable for the promotion of economic development within the Village.

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

7. The Developer is an Illinois limited liability company and has successfully completed multiple multi-family and single-family residential developments in Morton Grove and Illinois.

8. On October 25, 2021, the Village, pursuant to and in accordance with the Act, (i) Ordinance No. 21-09 approving the Redevelopment Plan and Project for the Lincoln/Lehigh Redevelopment Project Area, (ii) Ordinance No. 21-10 designating the Lincoln/Lehigh Redevelopment Project Area, and (iii) Ordinance No. 21-11 adopting Tax Increment Allocation Financing for the Lincoln/Lehigh Redevelopment Project Area (collectively, ***"TIF Ordinances"***), which established the Lincoln/Lehigh Tax Increment Finance Redevelopment Project Area (***"TIF District"***).

9. The Developer is the contract purchaser of certain parcels of land in the TIF District, commonly known as 8350 Lehigh Avenue, Morton Grove, Illinois 60053, which parcels are legally described in **Exhibit A** (the ***"Property"***).

10. The Developer proposes to develop the Property with eighty-nine (89) single-family attached dwelling

units (the ***"Townhome Units"***) with accessory accessways, parking areas, landscape areas, and storm water detention areas (the ***"Development"***). The Developer is willing to purchase the Property and construct the Development on the Property, but only if the Village provides certain economic incentives as further described in this Agreement.

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

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

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

14. The Village specifically finds pursuant to 65 ILCS 5/8-11-20 that:

1. The Property has remained vacant for at least one (1) year.
2. The Development is expected to create or retain job opportunities within the Village.
3. The Development will serve to promote the development of adjacent areas.
4. Without this Agreement, the Development would not be possible.
5. The Developer meets high standards of creditworthiness and financial strength as demonstrated by a letter from a financial institution with assets.
6. The Development will strengthen the residential and commercial sectors of the Village.
7. The Development will enhance the tax base of the Village.
8. This Agreement is made in the best interest of the Village.

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

SECTION 2. LAND ENTITLEMENT.

A. **Approval of Preliminary and Final Plats of Subdivision.** On May 23, 2023, the Village adopted Ordinance No. 23-12 (***"Ordinance"***) approving for the Property and Development a Preliminary Plat of Subdivision and Final Plat of Subdivision. The Final Plat of Subdivision to be recorded with the Cook County Clerk shall be consistent with Ordinance No. 23-12. The Developer shall timely take all actions necessary to comply with its obligations pursuant to Ordinance No. 12-12 and its obligations in accordance with Section 12-8-3 of the Unified Development Code so the Final Plat of Subdivision will be approved and recorded.

B. **Approval of Planned Unit Development.** On May 23, 2023, the Village adopted Ordinance No. 23-12 approving for the Property a Planned Unit Development Special Use Permit (***"PUD"***) for a townhome development comprising eighty-nine (89) single-family attached residential units (townhome units) within sixteen (16) structures, two hundred and five (205) accessory surface parking spaces, shared accessways, a stormwater detention basin, and landscape areas, with variations to select requirements of the Unified Development Code. The Developer shall timely take all actions necessary to comply with its obligations pursuant to Ordinance No. 23-12 There are no variations other as subsumed in the PUD.

SECTION 3. DEVELOPER'S OBLIGATIONS.

A. **Purchase of Property.** The Developer has represented to the Village that it is under contract to purchase the Property pursuant to a real estate purchase contract between the Developer and Morton Grove Pharmaceuticals, Inc. (the ***"Owner"***) dated February 22, 2023. The Developer shall provide proof satisfactory to the Village that it has obtained merchantable title to the Property on or before January 1, 2024. Failure of the Developer to obtain title to the Property on or before January 1, 2024, shall render this Agreement null and void.

B. **Remediation of Property.** The Developer will complete the environmental remediation of the site in strict accordance with IEPA standards and procedures and secure a No Further Remediation (NFR) Letter upon completion of all construction in the Development which shall occur no later than September 30, 2026.

C. **Improvement of Property.** The Developer shall improve the Property at its sole cost so that it is constructed and completed in a good and workmanlike manner and in compliance with:

1 Ordinance No. 23-12 approving for the Property a Preliminary Plat of Subdivision, Final Plat of Subdivision, and Planned Unit Development.

2. The site plans, architectural plans, elevations, engineering plans, and on-site signage submitted to and approved in writing by the Village Administrator and all applicable Village commissions, boards, and departments (the ***"Final Plans and Specifications"***).

3. All applicable Village, rules, and regulations including, without limitation, all applicable zoning ordinances, building codes, health codes and life safety codes in effect as of the date hereof, and all conditions of any Planned Unit Development Special Use Permit granted for the Development.

4. All applicable federal and state regulations including without limitation, all environmental laws, the Americans with Disabilities Act, and the Illinois Prevailing Wage Act (820 ILCS 130/0.01 et seq.).

5. The Village Administrator may administratively approve minor modifications to the building and site plans, as allowed for by the Village Municipal Code.

D. **Performance Guarantee.** Prior to issuance of any permit to begin horizontal site improvements, Developer shall deliver to the Village a performance guarantee that meets the requirements of Section 12-8-3:C of the Morton Grove Unified Development Code (***"Performance Guarantee"***) in the form attached hereto as **Exhibit B1**. The Performance Guarantee may be partially reduced in accordance with Section 12-8-3:C.8.g. Following the Village acceptance of all improvements and the Village engineer's certification that all public and private improvements included in the guarantee have been one hundred percent (100%) completed to the satisfaction of the Village engineer, the Performance Guarantee shall be released**.**

E. **Surety Bond.** Prior to issuance of any permit to begin horizontal site improvements, Developer shall deliver to the Village a surety bond in the form attached hereto as **Exhibit B2** in the amount of two million, two hundred and fifty thousand dollars ($2,250,000) (***"Surety Bond"***). The Surety Bond shall be released by the Village as follows:

1. Within thirty (30) days of the Developer’s submittal to the Village of certificates of occupancy for twenty-nine (29) Townhome Units and verification of notice to the Cook County Assessor of said certificates of occupancy in the form of a submitted New Construction Reporting Form attached hereto as **Exhibit C**, the Village shall authorize a first partial release of the Surety Bond in the amount of seven hundred and fifty thousand dollars ($750,000).

2. Within thirty (30) days of the Developer’s submittal to the Village of certificates of occupancy for fifty-nine (59) Townhome Units and verification of notice to the Cook County Assessor of said certificates of occupancy in the form of a submitted New Construction Reporting Form attached hereto as **Exhibit C**, the Village shall authorize a second partial release of the Surety Bond in the amount of seven hundred and fifty thousand dollars ($750,000).

3. Within thirty (30) days of the Developer's submittal to the Village of certificates of occupancy for eighty-nine (89) Townhome Units and verification of notice to the Cook County Assessor of said certificates of occupancy in the form of a submitted New Construction Reporting Form attached hereto as **Exhibit C**, the Surety Bond shall be fully released.

F. **Recovery of TIF Funds.** Subject to the provisions of this Section, in the event of a material default under any other provision of this Agreement, the Developer shall be immediately indebted to the Village for all TIF Cash Incentive funds received, as defined in Section 4.A.1, from the Village and shall reimburse such funds within thirty (30) days within written request by the Village. Developer stipulates that such indebtedness shall have priority in an any bankruptcy proceeding, subject to applicable laws.

G. **Utility Lines.** The Developer, at its expense, shall relocate the existing utility line located at the approximate south lot line of the Property as depicted in **Exhibit D** and all utility lines that are newly constructed and installed within the Property and in the immediate vicinity to serve the Development. The existing overhead utility line located in the Nagle Avenue public right of way abutting the Property to the west and as otherwise depicted on **Exhibit D** are not required to be buried.

H. **Recordation of Plat of Subdivision.** The Developer shall, at its sole expense, be responsible for the timely recordation of the Final Plat of Subdivision described in Section 2.A with the Cook County Clerk, including all recordation costs. The Village Administrator may, at his or her sole discretion, allow recordation of the final plat of subdivision prior to the requirements set forth in Chapter 12-8, "Subdivisions," of the Morton Grove Unified Development Code.

I. **Recordation of Planned Unit Development.** Prior to issuance of a building permit for construction of any residential structure, the Developer shall file with the Village Administrator an approved final Planned Unit Development Site Plan suitable for recordation with the Cook County Clerk and all other supporting documents required by Section 12-6-6 of the Village Municipal Code. The Developer at its sole expense shall be responsible for the timely recordation of the Planned Unit Development site plan and other pertinent documents within thirty (30) days after the Village Administrator's written approval thereof.

J. **Construction Permits.** Unless otherwise approved in writing by the Village Administrator, no construction, improvement, or development of any kind shall be permitted on any portion of the Property unless and until the Developer has received approval from all necessary Village departments and has been issued valid and binding building permits.

K. **Commencement and Completion of Construction.** The Developer shall secure all necessary horizontal site improvement permits and commence construction of the Development not later than **May 1, 2024**. Construction of all site improvements shall be substantially completed, as certified by the Village Engineer, in accordance with the Developer's Construction Schedule, attached hereto as **Exhibit E** and incorporated herein, but not later than **December 1, 2024**. Subject to Force Majeure, as defined in Section 5.C.2, unless an extension is granted in writing by the Village Administrator for good cause, failure to timely commence construction and/or timely complete construction in accordance with the Construction Schedule and dates provided herein shall constitute an event of default.

L. **Construction Management.** The Developer shall satisfactorily complete all actions necessary and as required by this Agreement for the planning, design, development, construction, and installation of the Development, including without limitation:

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

2. Providing the appropriate coordination of all planning and construction of the Development, including the directing and scheduling of construction, all field inspections, tests, surveys, and other activities related to the Development.

3. Providing qualified field personnel for inspecting and reviewing the progress and construction of the Development, including final inspection and certification by Developer that, to the best of its

knowledge, all work, as constructed, conforms with the approved final plans and specifications.

M. **Development Operation.** The primary use of the Property as authorized under Ordinance 23-12, or as otherwise approved by the Village Administrator or his/her designee, shall not be materially changed by the Developer or its success, assigns and grantees, as then applicable, for a minimum of twenty (20) years after Certificates of Occupancy for the Townhome Units have been issued.

N. **Fees and Expenses.** The Developer shall pay all required fees to the Village for the Development, including permits, inspection review, including costs for third-party evaluation and inspection, and tap-on fees, as provided by Village ordinance. All such fees and expenses shall be paid prorata at the time of issuance of a permit for each building.

O. **Affordable Housing.** Pursuant to Section 12-4-12:E of the Morton Grove Unified Development Code, the Development is classified as a covered development and is required to provide ten percent (10%) on-site affordable units or a payment in lieu thereof. The Developer shall satisfy the affordable housing requirement by making a payment in lieu of providing affordable housing units in the amount of three hundred sixty thousand dollars ($360,000), based on the calculation of forty thousand dollars ($40,000) for each of nine (9) affordable units required. The fee in lieu shall be paid to the Affordable Housing Trust Fund pursuant to Article 1-9C-4 prior to the issuance of a building permit for vertical construction of each Townhome Unit in the amount of four thousand and forty-five dollars ($4,045) per unit.

P. **Progress Meetings.** The Developer shall meet or communicate with the Village Administrator, and his or her designees on a weekly basis or as reasonably requested by the Village Administrator to report on the progress of the Development and shall provide a periodic written comprehensive progress report on the Development in a form approved by the Village Administrator. The Developer shall ensure adequate information is provided to the extent requested by the Village, including, without limitation, financial reports, engineering analyses, architectural and analyses Appropriate representatives for the Developer and his contractors and subcontractors shall participate in any such progress meeting as may be reasonably requested by the Village Administrator or his designees .

Q. **Open Book Project.** The TIF Eligible Expenses of the Development shall be provided to the Village on an "open book" basis and the Developer will use commercially reasonable efforts to cause its general contractor(s) to provide continuing and regular access as (on at least 48 hours' prior written notice) as reasonably requested during construction of the Development to the Village Administrator and his designees for the purpose of reviewing and auditing all books and records relating to any item necessary to determine the total Project Costs and the costs of the TIF Eligible Expenses. The foregoing Village review and audit rights with respect to the Development shall continue for up to one (1) year after the last certificate of occupancy has been issued for any portion of the Development. Any audit required by the Village will be at the expense of the Village. Notwithstanding the foregoing, the Village will attempt to maintain the confidentiality of any information identified by Developer as proprietary, privileged, and confidential, provided Developer certifies that disclosure of the commercial or financial information would cause competitive harm to the Developer. If the Village receives a request for disclosure of such information under the Illinois Freedom of Information Act, the Village shall notify Developer providing a copy of the request to Developer, and Developer shall have five (5) business days to notify the Village in writing that it consents or refuses to consent to release of the information. If Developer refuses or fails to consent to disclosing such proprietary Information within five (5) business days, the Village may refuse to disclose the information requested, and in the event that, because of such refusal, litigation is filed against the Village under the Illinois Freedom of Information Act or similar statute relating to the Village's failure to disclose such information. Developer shall indemnify and hold the Village harmless regarding any attorney's fees or costs or judgments imposed on or incurred by the Village in connection with such action. Developer acknowledges that the Village must comply with any court order requiring the release of any confidential or proprietary information and that the Village has no obligation to appeal such court order.

R. **Insurance.** Prior to the issuance of any building permit, the Developer shall deliver to the Village, at Developer's cost and expense, certificates of insurance evidencing the insurance coverage required to be maintained by Developer pursuant to Section 6 of this Agreement.

S. **Financing.** Prior to the issuance of the horizontal site development permit, the Developer shall furnish to the Village proof reasonably acceptable to the Village that the Developer has irrevocable financing in sufficient amount for construction of the improvements for the Development.

T. **Compliance with All Laws.** The Developer represents, warrants, and agrees:

1. The Developer is not barred from contracting with any unit of state or local government because of violating Section 33E-3 or 33E-4 of the Illinois Criminal Code (720 ILCS 5/33E-3 and 33E-4.

2. The Developer shall comply with the Illinois Drug Free Workplace Act, Equal Opportunity Clause of the Illinois Human Rights Act and the Rules and Regulations of the Illinois Department of Human Rights, the Americans with Disabilities Act, and Article 2 of the Illinois Human Rights Act (775 ILCS 5/2-101 et seq.).

3. Any construction contracts entered into by the Developer relating to the construction of the Development shall require all contractors and subcontractors to comply with the Illinois Fair Employment Practices Act.

4. The Developer shall comply with all applicable federal laws, state laws, and regulations including without limitation, such laws and regulations relating to minimum wages to be paid to employees, limitations upon the employment of minors, minimum fair wage standards for minors, payment of wages due employees, and health and safety of employees.

   The Developer agrees to pay its employees, if any, all rightful salaries, medical benefits, pensions, and social security benefits pursuant to applicable labor agreements and federal and state statutes, and further agrees to make all required withholdings and deposits therefore.

5. A copy of any lawsuit or complaint of violation of laws received by the Developer relative to this Agreement, or the Development shall be immediately forwarded to the Village Administrator.

6. The Developer shall be and remain in compliance with the Village's property maintenance regulations and shall promptly correct any code violations for the duration of the Developer's ownership of any portion of the Property.

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

U. **Disclosures.** Not less than ten (10) days prior to the execution of this Agreement, the Developer shall furnish to the Village the identity of all persons holding an ownership interest in the Developer and the percentage of such interest, said disclosure to be form reasonably satisfactory to the Village, and shall certify that no member, official, or employee of the Village has or shall have any personal interest, direct or indirect, in the Development or this Agreement. The disclosure shall be updated within ten (10) business days of any change of ownership, or written request from the Village Administrator.

V. **Payment of Taxes.** The Developer shall pay, when due, all real estate taxes and special assessments in respect to the Development for that portion of the Property that is owned by the Developer. Failure to timely pay said taxes and/or special assessments shall constitute a breach of this Agreement, subject to the

Notice and cure provisions set forth in Section 7 of this Agreement. The Developer may not file any claim or appeal contesting the validity or amount of any real estate property tax assessment for any portion of the Property owned by the Developer until the expiration of the TIF District without express notice to the Village.

W. **Limited Right of Assignment.** Until the obligation referenced in Section 4.A.1 of this Agreement has been paid or forgiven in full Developer shall: (a) not assign its interests in this contract, the Property, or the Development without the express written approval of the Village; and (b) own and operate, or cause an entity to own and operate, the Development in accordance with this Agreement and Ordinance 23-12. Any approved assignment shall include such information as may reasonably be requested to indicate that the operation of the Development will continue to be managed and operated in the manner that benefits the goals and objectives of the Redevelopment Plan. The Assignee shall have executed and delivered to the Village an instrument signed by the Assignee stating that the Assignee agrees to be bound by all terms in this Agreement.

SECTION 4. VILLAGE OBLIGATIONS.

A. **TIF Economic Incentives.** Provided that the Developer is not in default of its obligations set forth in this Agreement, and upon proof satisfactory to the Village, including but not limited to copies of final invoices, signed and notarized final lien waivers, and proof of payment, that the Developer has paid for expenses which qualify as Redevelopment Project Costs as defined in the TIF Act (the ***"TIF Eligible Expenses"***) of at least five million, nine hundred and fifteen thousand, seven hundred and sixty-two dollars ($5,915,762), the Village shall provide the following TIF Economic Incentives:

1. **TIF Cash Incentive.** The Village shall, as a TIF cash incentive reimburse the Developer for TIF Eligible Expenses actually paid by the Developer (the ***"TIF Cash Incentive"***). However, under no circumstances shall the TIF Cash Incentive paid to the Developer exceed four million dollars ($4,000,000). The TIF Cash Incentive shall be provided as follows:

   a. **First Cash Incentive Payment.** Upon the completion of the demolition of all buildings on the Property and all environmental remediation work set forth in **Exhibit F**, the Village will pay the Developer for up to two million, two hundred and fifty thousand dollars ($2,250,000) (***"First Cash Incentive Payment"***) to reimburse the Developer for TIF Eligible Expenses actually paid by the Developer, including but not limited to demolition, environmental and debris removal work, and related engineering services necessary to produce site improvement plans and construction documents. The First Cash Incentive Payment shall be paid as follows:

      i. Developer may submit up to three (3) requests for reimbursement of TIF Eligible Expenses (payment of the First Cash Incentive Payment), but not more than once every thirty (30) days. Each request shall include: (1) a letter requesting reimbursement of TIF Eligible Expenses pursuant to this Section 4.A; (2) copies of all final invoices showing the cost of materials and services to support this request; (3) signed and notarized final lien waivers from all of Developer's contractors, subcontractors, employees, or individuals providing material or services with respect to this request; (4) proof of payment of all costs associated with this request; and (5) a report of the final inspection verifying the work completed with respect to this request has been completed in accordance with the Final Plans and Specifications.

      ii. Within sixty (60) days after receiving a complete submittal, the Village shall (i) send the Developer written notice approving the Reimbursement Expenses and issue a check to the Developer for submitted Reimbursement Expenses pursuant to this Agreement or (ii) send the Developer written notice reasonably disapproving the Reimbursement Expenses and specify the reason for such disapproval in reasonable detail, in which case Developer may resubmit the request for reimbursement after correcting the disapproved items.

   b. **Second Cash Incentive Payment.** Within thirty (30) days of the Developer's submittal to the Village of certificates of occupancy for twenty-nine (29) Townhome Units and verification of notice to the Cook County Assessor of said certificates of occupancy in the form of a submitted New Construction Reporting Form attached hereto as **Exhibit C**, the Village shall make an additional cash payment to the Developer in the amount of seven hundred and fifty thousand dollars ($750,000) dollars to reimburse the Developer for TIF Eligible Expenses actually paid by the Developer. If the County does not issue a receipt establishing the date of submission, such verification shall be established by an affidavit or certification delivered by the Developer to the Village Administrator setting forth the date of notice.

c. **Third Cash Incentive Payment.** Within thirty (30) days of the Developer's submittal to the Village of certificates of occupancy for twenty-nine (59) Townhome Units and verification of notice to the Cook County Assessor of said certificates of occupancy in the form of a submitted New Construction Reporting Form attached hereto as **Exhibit C**, the Village shall make an additional cash payment to the Developer in the amount of one million ($1,000,000) dollars to reimburse the Developer for TIF Eligible Expenses actually paid by the Developer.

d. **Right of Reimbursement of TIF Cash Incentive.** If for any reason the Developer fails to obtain certificates of occupancy for at least fifty-nine (59) Townhome Units within seven (7) years after the Village makes any payment to the Developer pursuant to Section 4.A.1 (the TIF Cash Incentive), then upon sale or transfer of title to the Property or any part thereof, other than a sale of a residential unit for which a certificate of occupancy has been issued, the Developer shall reimburse the Village for any TIF Cash Incentive payment made to the Developer, less the remaining balance of the Surety Bond at that time.

2. **TIF Notes.** Within thirty (30) days of the Developer's submittal to the Village of certificates of occupancy for eighty-nine (89) Townhome Units (100% of the Townhome Units in the Project) and verification of notice to the Cook County Assessor of said certificates of occupancy in the form of a submitted New Construction Reporting Form attached hereto as **Exhibit C**, and all building permits for the Project have been closed out, and provided the preconditions listed herein have been satisfied, the Village shall issue one or more TIF Notes (as such term is hereinafter defined) as Tax Exempt Obligations (as such term is hereinafter defined) in such an amount to provide net proceeds to Developer of one million, nine hundred and fifteen thousand, seven hundred and sixty two dollars ($1,915,762) to reimburse the Developer for TIF Eligible Expenses not having been reimbursed by the TIF Cash Incentive. Preconditions to Issuance (the ***"TIF Notes"***).

a. **Preconditions.** The Village shall not be required to issue the TIF Notes until all the following preconditions are met:

i. Certificates of Occupancy have been issued for eighty-nine (89) of the Townhome Units of the Project;

ii. Developer has made full Sales True-Up Payment to the Village pursuant to Section 4.A.2.b;

iii. Developer is in material compliance with all the terms and conditions of this Agreement, to be performed and/or observed and Developer is not in default under this Agreement subject to its right to cure;

iv. Developer has provided sufficient proof to the Village that it is current with all state and local tax obligations;

v. The Village and the Developer are in receipt of an opinion of bond counsel that (a) the interest paid and received on the TIF Notes are not includible in the gross income of the registered owners thereof under the Internal

Revenue Code for federal income tax purposes, subject to customary qualifications and exceptions, and (b) the TIF Notes are valid and legally binding and enforceable obligations of the Village, subject to customary qualifications and exceptions;

vi. The Developer has provided the Village with all documentation requested by the Village to evidence the cost of the TIF Eligible Expenses, such records to include, but not be limited to, all contracts with general contractors and all subcontractors, contractors sworn affidavits, lien waivers, copies of checks and any other documentation specified by the Village and/or in the possession of the Developer;

vii. Developer has provided evidence to the Village that there are no uncontested liens on either the Development or the Property, it being agreed that the Developer may contest any lien claims so long as such contest is in good faith and based on reasonable grounds.

b. **Sales True-Up Payment.** Prior to the issuance of the TIF Notes and after the Developer has transferred title to all Townhome Units to third party purchasers thereof, the Developer shall provide to the Village evidence of actual sales prices for each of the eighty-nine (89) Townhome Units (the "Actual Sales Prices").

After the provision of the Actual Sales Prices to the Village, the Developer shall make payment to the Village in the amount of fifty percent (50%) of the difference between the (a) total of the Actual Sales Price for all Unit Types described in the table below and (b) the total of the amount of the Base True-Up Sales Prices for each of the individual Unit Types described in the table below (the "Sales True-Up Payment").

Unit Type	Base True-Up Sales Prices
540 Unit (Interior Unit)	$529,115
540 Unit (End Unit)	$563,623
550 Unit (interior Unit)	$552,120
550 Unit (End Unit)	$586,628
560 Unit (End Unit)	$609,633

c. **TIF Note Payment Source.** The TIF Notes shall be payable solely from the incremental property tax generated by the Property in accordance with the TIF Act, minus any required payments to other taxing districts, including payments to school districts made pursuant to 65 ILCS 5/11-74.4-3(q) (7.5 and 7.7) (the ***"Available IPT Revenue"***).

d. **Tax Exempt Obligations.** The Village shall not be required to issue any TIF Notes as tax exempt obligations pursuant to Section 103 of the Internal Revenue Code (the ***"Tax-Exempt Obligations"***) unless the Village shall receive an opinion of nationally recognized Bond Counsel acceptable to the Village that the interest paid and received on such TIF Notes are not includible in the gross income of the registered owners thereof under the Internal Revenue Code for federal income tax purposes, subject to customary qualifications and exceptions. To assist the Village in obtaining such opinion, the Developer shall provide any information that Bond Counsel may reasonably request be provided. The Village shall use good faith efforts to obtain such opinion so that the TIF Notes can be issued as and when contemplated by the above provisions. The Owners acknowledge and agree that the Village's inability to issue any TIF Notes as Tax-Exempt Obligations shall not be a Village Event of Default.

e. **Interest and Payment.** Interest on each of the TIF Notes will accrue from and after the issuance at the rate equal to the BBB 20-Year G.O. Bond Index as published by

Reuters Municipal Market Data ("MMD") plus 275 basis points, and not to exceed eight and one-half percent (8.5%) and will compound annually. The Village will begin to make payments on the TIF Notes on February 1 of the year following the first TIF Note's issuance Date. The Village will not be entitled to prepay a TIF Note for a period of five (5) years the issuance date without the Developer's prior written consent, but may in its sole discretion prepay any or all TIF Notes any time thereafter Concurrently with the issuance of each TIF Note, the Village will issue an amortization schedule for such Note and establish annual payment dates for such Note pursuant to such schedule.

f. **Terms of TIF Notes.** Each TIF Note will:

i. Be substantially in the form as **Exhibit G**;

ii. Evidence the Village's obligation to reimburse the Developer for TIF Eligible Expenses, subject to and in accordance with the provisions of this Agreement;

iii. Have a maximum interest rate of eight and one-half percent (8.5%) calculated based on a 30 day/360-day year and will be payable semi-annually;

iv. Mature twenty (20) years from the date of the issuance thereof, unless the TIF District will expire prior to such date, in which case, the TIF Notes will mature on the expiration date of the TIF District;

v. Be secured solely by and payable from the Available IPT Revenue generated by this Project, as provided in, and subject to the limitations set forth in, this Agreement;

vi. Provide that the Village will have no obligation whatsoever to make any payments in excess of the TIF Eligible Expenses that have been: (i) actually incurred by the Developer; (ii) certified by the Village by issuance of Certificates of Expenditure; (iii) qualify as "redevelopment project costs" as defined in the TIF Act; and (iv) Authorized to be paid pursuant to this Agreement, the TIF Act and the terms of the TIF Note;

vii. Provide that each payment will be applied first to accrued but unpaid interest, second to current interest, and third to principal and that, with respect to the Available IPT Revenue;

viii. If requested by the Developer, provide for the capitalization of interest, a debt service reserve fund, and any other features reasonably necessary or desirable to make such TIF Notes marketable;

ix. Be assignable or be able to be pledged as collateral by Developer; and

x. Be saleable or assignable at any time to: (i) a Qualified Institutional Buyer as defined under Rule 144A of the 1933 Securities Act; (ii) Accredited Investor as defined by the Securities and Exchange Commission under Regulation D, (iii) any entity controlling, controlled by or under common control with Developer or (iv) any entity in which the majority equity interest is owned by the parties that have a majority equity interest Developer.

g. **LIMITED OBLIGATION OF THE VILLAGE.** THE TIF NOTES SHALL NOT CONSTITUTE A GENERAL OBLIGATION OF THE VILLAGE, NOR SHALL THEY BE SECURED BY THE FULL FAITH AND CREDIT OF THE VILLAGE. THE DEVELOPER HEREBY ACKNOWLEDGES THAT THE PLEDGED TIF TAXES MAY BE INSUFFICIENT TO COVER THE PAYMENT OF ALL PRINCIPAL AND INTEREST ON THE TIF NOTES, IF THE PLEDGED TIF TAXES ARE

INSUFFICIENT, DEVELOPER HEREBY ACKNOWLEDGES THAT IT SHALL HAVE NO RECOURSE AGAINST THE VILLAGE, OTHER THAN ENFORCING THE VILLAGE'S OBLIGATIONS (I) TO DEPOSIT REQUIRED PLEDGED TIF TAXES IN THE INCREMENTAL PROPERTY TAX FUND, , AND (II) USE THE PLEDGED TIF TAXES TO PAY THE PRINCIPAL AND THE INTERST DUE ON THE TIF NOTES AS REQUIRED BY THIS AGREEMENTAS ALLOWED BY THE TIF ACT AND THIS AGREEMENT.

h. **Creation of Separate Tax Code.** The Parties acknowledge that (i) under the TIF Act, the Cook County Clerk is required, for each individual tax parcel within the TIF District with a current equalized assessed value (EAV) greater than its initial EAV, to annually calculate, allocate, collect, and pay to the Village an amount equal to the incremental property taxes (the "Incremental Property Taxes') attributable to such increase, (ii) as a matter of practice, the Cook County Clerk has not always followed this requirement and, instead of calculating Incremental Property Taxes on a parcel-by-parcel basis, has calculated Incremental Property Taxes on an aggregate basis, taking the entire Incremental Property Taxes for an entire redevelopment Project area, reducing that amount by the total reduction in property taxes that are paid for tax parcels that have a then-current EAV that is less than the Initial EAV, and allocating proportionate shares of that aggregate amount to the tax parcels within the Development area that have current EAV s greater than the Initial EAV, (iii) the " aggregate" method could result in an improper overpayment to certain taxing bodies and an improper underpayment of Incremental Property Taxes to the Village, and (iv) to avoid such improper underpayments, the Cook County Clerk and Cook County Assessor have sometimes assigned specific and unique tax code designations to certain tax parcels within a Development area to effectively allow Incremental Property Taxes to be calculated on a the basis of the tax codes and TIF Act. The Village shall, within ninety (90) days after the recordation of the Final Plat of Subdivision, submit a request to the Cook County Clerk to petition for a separate tax code for the Property. The Village and Developer (at no additional cost to Developer) shall work cooperatively with the Offices of the Cook County Clerk and Assessor to create a separate tax code designation for the tax parcels located within the Property, so that Incremental Property Taxes can be properly calculated for the Property independent of other parcels within the Development area.

i. **Village Representations.** During the Term, the Village covenants and agrees that, until all payments due to Developer have been made, the Village: (1) unless required by law, shall not revoke the TIF Ordinances; (2) shall not commingle the Incremental Property Taxes with any other municipal debt obligations: (3) shall not pledge or apply any portion of the Incremental Property Taxes to any other purpose or the payment of any other obligation of the Village other than as set forth in this Agreement: (4) upon written request by Developer or its attorneys, shall provide Developer (within thirty (30) calendar days after receiving such request) with a copy of documentation submitted to the State of Illinois pursuant to reporting requirements in the Act: (5) shall provide copies to the Developer of any P.I.N, tax code segregation direction notices required to be filed with Cook County pursuant to Section 4(B) above: and (6) shall comply with all annual reporting requirements in the Act.

SECTION 5. MUTUAL OBLIGATIONS.

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

B. **Government Approvals.** The Parties shall cooperate fully with each other in implementing the Development and in seeking and obtaining from any or all appropriate governmental bodies (whether federal, state, county or local) any necessary permits, entitlements, and approvals, required or useful for the improvement of property and construction of the Development in and on the Property, or for the provision of services to the Property. The Village shall expeditiously and fairly process all properly filed applications for permits and approvals necessary for the Development including, without limitation, building permits and certificates of occupancy.

C. **Timeline.**

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

2. A Party shall not be deemed in default of this Agreement if such Party's failure to timely perform was reasonably caused by war, acts of God, strikes, labor disputes, labor shortages, reasonably unavoidable disruptions to supply chains for materials, pandemic, delay in issuance of necessary permits or authorizations by any governmental body, including but not limited to the Village, through no fault of the Developer or similar causes beyond the reasonable control of such Party *("Force Majeure").* If a Force Majeure event occurs, which caused a delay, a Party seeking to claim Force Majeure as the basis for an extension, shall serve notice of its claim for Force Majeure and supporting specific third-party documentation within five (5) business days from the start of the Force Majeure event. Any extension for the completion of the incomplete performance shall be equal to the period of the duration of the delay caused thereby.

SECTION 6. INSURANCE AND INDEMNIFICATION

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

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

   a. Worker's Compensation insurance with statutory coverage and Employers' Liability coverage of at least five hundred thousand dollars ($500,000) per accident;

   b. Commercial General Liability insurance (including operations, contingent liability, operations of subcontractors, and contractual liability insurance) with limit of not less than one million dollars ($1,000,000) combined single limit per occurrence for bodily injury, and property damage and one million dollars ($1.000,000) per occurrence for personal Injury with a general aggregate of two million dollars ($2,000,000); and

   c. Business Automobile Liability: One million dollars ($1,000,000) combined single limit per accident-for bodily injury and property damage.

2. Developer (or Developer's contractor) shall during any period of construction maintain builders risk insurance on a completed value basis in non-reporting form, against all risks of physical loss, including collapse and water damage with no exclusion for flood and hydrostatic pressure, covering the total value of work performed and equipment, supplies and materials furnished for the project development (including on-site stored materials) as to all work by Developer. The Village shall be named as loss payee under this policy.

3. After completion of construction of a Townhome Unit and until Developer closes on the sale of such Townhome Unit to a third-party homeowner, the Developer shall maintain property insurance and extended coverage on a replacement basis for the insurable value of the Development as valued from time to time.

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

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

6. Each such policy (except Worker's Compensation) shall name the Village, its officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of the Developer's work, including activities performed by or on behalf of the Developer; products and completed operations of the Developer (or Developer's Contractor); premises owned, leased or used by the Developer; or automobiles owned, leased, hired or borrowed by the Developer. The coverage shall contain no special limitations on the scope of protection afforded to the Village, its officials, agents, employees, and volunteers. The policy shall contain an affirmative statement by the issuer that it gives written notice to the Village at least 30 days prior to any cancellation or an amendment of its policy. The Developer shall provide the Village a replacement certificate prior to expiration of any policy.

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

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

9. The Developer shall furnish separate certificates and endorsements from each contractor or subcontractor subject to all the requirements herein. The subcontractors are not included under the Developer's policies.

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

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

C. **Indemnification of Village**. Developer, its successors and assigns shall defend, indemnify and hold harmless the Village and its elected or appointed officers and officials. trustees, agents, volunteers, representatives and/or employees, from and against any and all civil liabilities, actions, responsibilities, obligations, losses, damages and claims, and all costs and expenses, including but not limited to attorney's fees and expenses (collectively, "Losses") pursuant to any federal, state and local laws including the common law), statutes, ordinances, rules, regulations and other requirements relating to or which the Village and/or its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees may incur from or on account of Developer's use of the Property, any tests or surveys conducted by the Developer, and the construction of the Development, including but not limited to any Losses incurred which are based on tort law, wrongful death and/or a personal injury claim, suit or action and/or any Losses and claims relating to environmental investigation, cleanup, or abatement, whether asserted or unasserted, direct or indirect, existing or inchoate, known or unknown, having arisen or to arise in the future, and in any manner whatsoever incurred by reason of Developer's or worker's activities or inactivities at the Property or the Development. It is expressly understood, agreed upon and the specific intent of this Agreement that the Village and its elected or appointed officers and officials, trustees, agents, volunteers. Representatives and/or employees will not assume responsibility for the actions of Developer or any of the workers or other persons on the Property. As between the Village and its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees and Developer, Developer shall always be held solely responsible to all persons on the Property present there because of the Development and work thereon. Developer and its successors and assigns hereby agree to release, waive, covenant not to sue and forever discharge the Village and its elected or appointed officers and officials, trustees. agents, volunteers, representatives and/or employees, for any claim, suit or action, whether or not well founded in fact or in law, which Developer and the workers have, or may have, arising out of the Development, except to the extent that any contamination occurs as a result of actions taken after the date of this Agreement by the Village or any of its elected or appointed officers and officials, trustees, agents, volunteers, representatives and/or employees, and except for any claim or action which Developer, its successors and assigns may have under this Agreement.

SECTION 7. DEFAULT

A. **Events of Default by Developer.** The following shall constitute events of default by the Developer:

1. Any material misrepresentation made by the Village in this Agreement, or in any related agreement or document.

2. Failure to comply with any material obligation or covenant contained in this Agreement, or any ordinance, or other agreement or financing document requiring performance by Developer regarding the Development throughout the term of this Agreement, subject to Force Majeure not cured within the time period set forth in Section 7(C) below.

3. The commencement by Developer of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by Developer to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, (or similar official) of Developer or of any substantial part of the Property, or the making by any such entity of any assignment for the benefit of creditors or the failure of Developer generally to pay such entity's debts as such debts become due or the taking of action by Developer in furtherance of any of the foregoing, or a petition is filed in bankruptcy by others and not dismissed within thirty (30) consecutive days;

3\. The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Developer in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, (or similar official) of Developer for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for more than thirty (30) consecutive days.

5\. After work begins on the Development, work stops for more than one hundred and twenty

(120) consecutive days for any reason other than: (i) Force Majeure or (ii) if Developer is ahead of its planned construction schedule, where work does not recommence within the time period set forth in Section 7(C) below.

6. Developer materially fails to comply with applicable governmental codes and regulations in relation to the construction and maintenance of the buildings contemplated by this Agreement or the approved plans, which failure is not cured within the time period set forth in Section 7(C) below.

7. Developer refuses or fails to construct the Development in substantial conformance with the final plans and specifications (subject to any modifications approved by the Village), which refusal or failure is not cured within the time period set forth in Section 7(C) below.

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

1. Any material misrepresentation made by the Village in this Agreement, or in any related agreement or document; or

2. Failure to perform any material obligation or covenant contained in this Agreement, subject to Force Majeure not cured within the time period set forth in Section 7(C) below .

C. **Cure Provisions.** In the event of a default, the defaulting Party shall have thirty (30) days after receipt of a Notice of Default from the non-defaulting Party setting forth the nature of the default, to cure the default or, if the nature of the default is such that additional time is required to effect such cure, then such longer period as may be reasonably required, provided that the defaulting Party is diligently pursuing such cure.

D. **Default by Developer Prior to Sale of All Townhome Units.** If after receipt of written notice, the Developer fails to timely cure a default as set forth above, and such uncured default occurs prior to certificates of occupancy being issued for all eighty-nine (89) Townhome Units, the Village shall have, in addition all remedies at law and equity, any or all the following remedies:

1. The Village may terminate this Agreement, in which case the Developer will reimburse the Village for all of its out-of-pocket costs, including attorney's fees relating to said default and this Agreement.

2. The Surety Bond shall immediately come due, and the Village may pursue its remedies under the Completion Bond in addition to proceeding with any other remedy unless the Developer elects to pay any such financial obligations in lieu of a draw on the bond.

3. At the Village's option, the Developer shall correct or rebuild any part of the Development that has not been developed in accordance with the Final Plans and Specifications or restore the Property to a developable condition or as otherwise directed by the Village Administrator.

E. **Default.** In the event of a default, after receipt of a Notice of Default from the non-defaulting Party setting forth the nature of the default, and the expiration of the cure provision set forth in Section C, the non-defaulting party shall have all remedies at law and in equity.

F. **Attorney's Fees.** In the event of a default, the defaulting Party shall pay all the non-defaulting Party's reasonable court costs, witness fees, discovery-fees and attorneys' fees, and the court may allocate such fee award to each Party to the extent the court finds each Party to have culpability.

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

SECTION 8. DEVELOPMENT PROVISIONS

A. **Use of Demolished Concrete as Trench Backfill.** The Developer shall have the right crush concrete on the Property resulting from the demolition of existing structures and utilize such crushed concrete as trench backfill as required for the Development pursuant the rules and regulations of the Village and any other agency having regulatory authority over the use.

B. **Codes and Ordinances.** All codes, ordinances, rules and regulations of the Village in effect as of the date hereof which relate to building, housing, plumbing, electrical and related restrictions affecting development of the Property shall continue in effect, insofar as they relate to the development of the Property, during the entire Term of this Agreement, except as otherwise provided herein, and except to the extent that said codes, ordinances, rules and regulations are amended on a general basis so as to be applicable to all property within the Village for purposes of directly furthering the public health and safety. If less restrictive codes are adopted and allowed for new developments, any less restrictive code provision shall apply to the Development.

C. **Right to Connect to Sanitary Lines.** The Village presently owns sanitary system lines within the Village. The sanitary system presently has sufficient capacity to collect and process all sewage produced from the Development. Developer shall have the right to connect the Development to the system in accordance with approved engineering plans.

D. **Right to Connect to Water Lines.** The Village owns and operates a potable water supply and distribution system within its borders. The system presently has sufficient capacity to serve the potable water and fire suppression requirements of the Development. Developer shall have the right to connect the Development to the system in accordance with approved engineering plans.

E. **Government Approvals.** The Parties shall cooperate fully with each other in implementing the Development and in seeking and obtaining from any or all appropriate governmental bodies (whether federal, state, county or local) any necessary permits, entitlements, and approvals, required or useful for the improvement of property and construction of the Development in and on the Property, or for the provision of services to the Property. The Village shall expeditiously and fairly process all properly filed applications for permits and approvals necessary for the Development including, without limitation, building permits and certificates of occupancy.

G. **Hours for Construction.** Hours of construction generating loud noises shall be limited to the days and hours set forth in Section 10-1-4:B of the Morton Grove Municipal Code.

H. **Sales and Construction Facilities.** Subject to Village issuance of a site development permit for the Property, Developer shall have the right to erect and maintain one (1) temporary sales trailer and one (1) construction trailer on the Property. The locations of the temporary sales trailer and construction trailer are depicted in **Exhibit H1** and may be installed subject to Village permitting requirements.

I. **Model Home.** Three Townhome Units as depicted in **Exhibit H1** on Lot 1 may be used as model homes (“Model Homes”). The Model Homes may be occupied solely for model home display and sales purposes once a temporary certificate of occupancy has been issued for the Model Homes. At any time after approval of the Ordinance, Developer’s acquisition of the Property, issuance of a site development permit and posting of the Performance Guarantee and Surety Bond, the Village will issue upon Developer’s request, a permit for construction of the building in which the model homes reside provided the permit application and supporting plans meet all applicable code requirements. Such construction may proceed concurrently with demolition and remediation.

The garages appurtenant to the Model Homes may be used as a sales office. The sales office layout within such garage(s) is depicted on **Exhibit H2**. **Exhibit H2** is approved subject to Village permitting requirements. A permanent or temporary accessible bathroom shall be installed to serve the model homes as required by the Village Administrator or his/her designee.

Permanent certificates of occupancy for the three (3) Townhome Units to be used as Model Homes will not be issued until the Model Homes have been converted to three (3) residential dwelling units as required by the PUD. The temporary certificate of occupancy for the Model Homes shall expire ninety (90) days after issuance of certificates of occupancy for eighty-six (86) Townhome Units.

J. **Signage**. Depictions of signage and signage locations are set forth in **Exhibit H3**. The Signage appearance and locations depicted in **Exhibit H3** are hereby approved for construction subject to subject to Village permit requirements. Signage shall be subject to Village permitting requirements and shall be installed on a stable structure with an approved anchorage.

K. **Early Home Construction**. The Developer may also begin construction at its sole risk of up to three (3) buildings in addition to the Model Homes, on lots 8, 9 and 10 as depicted on the Final Plat of Subdivision ("Early Construction Homes") at any time after Developer's acquisition of the Property, issuance of a site development permit, Village access for inspections, issuance of a building permit for the Early Construction Homes, and posting of the Performance Guarantee and Surety Bond. No certificate of occupancy will be issued for the Early Construction Homes until the site developments are complete, and all Village occupancy permit requirements are met.

L. **Temporary Construction Easement on 8300 Parcel.** The Village will grant Lexington a temporary construction easement to facilitate the elevation modifications to the northern portion of the property located at 8300 Lehigh Avenue, Morton Grove, Illinois 60053 ("8300 Parcel") to facilitate the construction of an overland flow route along the shared lot line between the 8300 Parcel and the Property. This will include clearing, grading, and pavement modification. The final location and terms of the temporary construction easement will be subject to approval by the Village Administrator or his/her designee.

M. **Proposed Water Main Easement on 8300 Parcel.** The Village will grant a non-exclusive water main easement ("WME") adjacent to portions of the north property line of the 8300 Parcel for the purposes of installing and maintaining an eight-inch (8") water main. The water main located within the proposed WME can be used to serve the 8300 Parcel upon redevelopment of 8300 Parcel. The final location and terms of the WME will be subject to approval by the Village Administrator or his/her designee.

N. **Expansion of Stormwater Management Basin.** Developer is providing a Stormwater Management Basin on the Property ("Property Basin") to serve the redevelopment of the Property only, that includes storage provisions to satisfy the requirements of the Metropolitan Water Reclamation District of Greater Chicago (MWRDGC) for Volume Control and Detention Storage. Upon the redevelopment of the 8300 Parcel, the Village will need to comply with the applicable portions of the MWRD Watershed Management Ordinance (WMO) for Volume Control and Detention Storage. In order to facilitate maximizing the buildable area on the 8300 Parcel, Developer agrees to cooperate with the Village to submit for a revision to the MWRD WMO permit for the Property for expansion of the Property Basin onto the 8300 Parcel (when complete, "Regional Basin"), including a modification to the size of the restrictor, as applicable. The Developer will cooperate with the Village to allow the Village to expand the Property Basin to also serve the 8300 Parcel. The design, plan revisions, permit revisions, construction, and easement for the expansion shall be at the Village's sole expense. The owners' association for Metro on Main will be responsible to maintain the Regional Basin to a standard acceptable to the Village and all regulatory authorities. The cost of maintenance shall be allocated to the Metro on Main owners' association and the Village according to the respective Regional Basin volume lying on each of the Parties' land. The Parties agree that the Village will not require Developer's cooperation until after the MWRD WMO permit is issued for the redevelopment of the Property.

SECTION 9. GENERAL PROVISIONS.

A. **No Individual or Personal Liability.** Notwithstanding any other statement in this Agreement, the Parties agree that the representations made by the Village in this Agreement and incentives offered herein are made on behalf of the Village, and the Village President, the Village Board of Trustees, and Village Staff are not making such representations personally, are not Parties to this Agreement, and shall incur no personal liability in conjunction with this Agreement, and that the representations made by the Developer are made by and on behalf of Developer, and the Developer's owners, members, officers, directors, employees and agents are not making such representations personally, are not Parties to this Agreement, and shall incur no personal liability in conjunction with this Agreement.

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

C. **Notice.** Any notice or communication required or permitted to be given under this Agreement shall be in writing and shall be delivered (i) personally, (ii) by a reputable overnight courier, (iii) by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid, (iv) by electronic internet mail ("e-mail"). E-mail notices shall be deemed valid only to the extent that they are (a) opened by the recipient on a business day at the address set forth below, and (b) followed by delivery of actual notice in the manner described in either (i), (ii), or (iii) above within three (3) business days thereafter at the appropriate address set forth below. Unless otherwise provided in this Agreement, notices shall be deemed received after the first to occur of (a) the date of actual receipt; or (b) the date that is one (1) business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (b) the date that is three (3) business days after deposit in the U.S. mail, as evidenced by a return receipt. By notice complying with the requirements of this Section, each party to this Agreement shall have the right to change the address or the addressee, or both, for all future notices and communications to them, but no notice of a change of addressee or address shall be effective until actually received.

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

Ralph E. Czerwinski, Village Administrator
The Village of Morton Grove
6101 Capulina Avenue
Morton Grove, Illinois 60053

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

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

Nathan Wynsma
Metro on Main L. L. C. an Illinois limited liability company
1731 N. Marcey St. #200
Chicago, IL 60614
773-598-8400
nwynsma@lexingtonchicago.com

Wayne Moretti
Metro on Main, L. L. C. an Illinois limited liability company
1731 N. Marcey St. #200
Chicago, IL 60614
wmoretti@lexingtonchicago.com

Mark Eiden, Attorney
Mark C. Eiden & Associates, PC
40 Club Circle
Lake Barrington, IL 60010
847-641-3680
meiden@eidenlaw.com

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

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

F. **Governing Law.** This Agreement shall be governed by, and enforced in accordance with, the internal laws, of the State of Illinois. Any action to enforce this Agreement shall be filed in the Circuit Court of Cook

County, Illinois.

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

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

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

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

K. **Authority to Execute.** The Village hereby warrants and represents to the Developer that the persons executing this Agreement on its behalf have been properly authorized to do so by the Corporate Authorities. The Developer hereby warrants and represents to the Village (i) that it has the full and complete right, power, and authority to enter into this Agreement and to agree to the terms, provisions, and conditions set forth in this Agreement and to bind the Property as set forth in this Agreement, (ii) that all legal actions needed to authorize the execution, delivery, and performance of this Agreement have been taken, and (iii) that neither the execution of this Agreement nor the performance of the obligations assumed by the Developer will (a) result in a breach or default under any agreement to which the Developer is a party or (b) violate any statute, law, restriction, court order, or agreement to which the Developer is subject.

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

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

N. **Successors and Assigns.** This Agreement shall benefit, and be binding on, successors, assigns and grantees of the Village and Developer and shall constitute a covenant running with the land. This Agreement shall not be assignable by the Developer without the Village’s written permission.

O. **Sale.** The use of the terms “sale,” “sale of Townhome Units” or terms of similar import, unless specifically stated otherwise herein, shall mean an arm’s length sale transaction to a third-party member of the public and not a forced sale or sale to another developer.

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

Exhibit A	Property Legal Description – 8350 Lehigh Avenue
Exhibit B1	Performance Guarantee
Exhibit B2	Surety Bond
Exhibit C	Cook County Assessor New Construction Reporting Form

Exhibit D	Required Utility Line Burial
Exhibit E	Construction Schedule
Exhibit F	Demolition and Remediation
Exhibit G	TIF Note Form
Exhibit H1	Temporary Sales Trailer, Construction Trailer and Model Units Location
Exhibit H2	Sales Office
Exhibit H3	Signage Guide

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

<u>SIGNATURES FOLLOW ON NEXT PAGES</u>

IN WITNESS WHEREOF, the Parties above written.

ATTEST:

By: ______________________________

Eileen Scanlon Harford, Village Clerk

Village of Morton Grove**,** an Illinois municipal corporation

By: ______________________________

Dan DiMaria, Village President

ATTEST:

By: ______________________________

Its: ______________________________

Metro on Main**, a**n Illinois limited liability company

By: ______________________________

Wayne Moretti, as manager of Lexington Homes L.L.C., an Illinois limited liability company

Exhibit A
Property Legal Description – 8350 Lehigh Avenue
Morton Grove, Illinois 60053

PARCEL 1:

LOTS 1 TO 12, BOTH INCLUSIVELY, AND THAT PART OF 33 FOOT VACATED NARRAGANSETT AVENUE LYING EAST OF AND ADJOINING LOTS 1 AND 12 IN BLOCK 4 IN MORTON GROVE, A SUBDIVISION OF THE EAST 4.63 CHAINS OF THE NORTHEAST 1/4, SOUTH OF GROSS POINT ROAD AND NORTH 3 ACRES OF THE EAST 10 ACRES OF THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THE NORTHWEST 1/4, SOUTH OF GROSS POINT ROAD AND WEST OF RAILROAD OF SECTION 20, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF LOT 34 (EXCEPT THE NORTH 33 FEET THEREOF) AND THE NORTH HALF OF LOT 27 IN THE COUNTY CLERK'S DIVISION IN THE WEST 1/2 OF SECTION 20, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN LYING SOUTHWESTERLY OF THE SOUTHWESTERLY RIGHT OF WAY LINE OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY.

PROPERTY INDEX NUMBERS:

10-19-402-001-0000
10-19-402-002-0000
10-19-402-003-0000
10-19-402-004-0000
10-19-402-005-0000
10-19-402-006-0000
10-19-402-007-0000
10-19-402-008-0000
10-19-402-009-0000
10-19-402-010-0000
10-19-402-011-0000
10-19-402-012-0000
10-20-300-001-0000
10-20-300-002-0000

Exhibit B1
Performance Guarantee

Subdivision Performance Bond

Bond No. _______________ ("Bond")

KNOW ALL PERSONS BY THESE PRESENTS, that we, Metro on Main LLC, the Principal and primary obligor, and Great American Insurance Company, an Ohio corporation, the Surety and secondary obligor, are held and firmly bound unto The Village of Morton Grove, Illinois, called the Obligee, in the sum of _________________ ($___________) for the payment thereof, and said Principal and Surety bind themselves as provided herein.

WHEREAS, in order to file a plat or subdivision map, or to obtain a permit for its Metro on Main development in Morton Grove, IL, called the Development, the Principal has entered into an Economic Incentive and Tax Increment Allocation Financing Development Agreement by and between the Village of Morton Grove, Illinois, and Metro On Main, L.L.C., an Illinois Limited Liability Company with the Obligee, called the Contract, which requires the Principal make certain improvements to the land, called the Improvements, as more particularly set forth in Haeger Engineering, LLC's Engineer's Opinion of Probable Construction (exact title and revisions dates on header of document).

NOW, THEREFORE, the condition of this Bond is such that if the Principal shall construct the Improvements described in the Contract, then this Bond shall be void, otherwise to remain in full force and effect. This Bond is subject to the following conditions:

1. This Bond runs to the benefit of the named Obligee only, and no other person shall have any rights under this Bond. No claim shall be allowed against this Bond after the expiration of one year from the successful completion and acceptance of the improvements.

2. This Bond is not a forfeiture obligation and in no event shall the Surety's liability exceed the reasonable cost of completing the Improvements not completed by the Principal, or the sum of the Bond, whichever is less.

3. The Bond shall have an expiration date not less than two (2) years or three (3) months beyond the date specified in an approved subdivision or development agreement.

4. Not less than thirty (30) days prior to the expiration of this Bond, the Village engineer shall be given written notice by means of certified or registered mail, indicating that this Bond is to expire.

5. Failure of the Principal to install the Improvements prior to the scheduled completion date, as specified Contract, shall be considered a default by the Principal and the issuing institution.

Signed this _____ day of December 2023.

Metro on Main LLC

By:______________________________

Great American Insurance Company

By:______________________________
William Reidinger, Attorney-in-Fact

Exhibit B2

Surety Bond

SURETY BOND

KNOW ALL BY THESE PRESENTS, That we Metro on Main LLC, as Principal and primary obligor, and Great American Insurance Company, of Cincinnati, Ohio, authorized to do business in the State of Illinois, as Surety and secondary obligor, are held and firmly bound unto Village of Morton Grove as Obligee, in the maximum penal sum of Two Million, Two Hundred Fifty Thousand and 00/100 Dollars ($2,250,000.00) in lawful money of the United States of America, for which payment well and truly to be made we bind ourselves, our heirs, executors and assigns, firmly by this Surety Bond.

WHEREAS, The Principal has entered, or is about to enter, into an Economic Incentive and Tax Increment Allocation Financing Development Agreement by and between the Village of Morton Grove, IL and Metro on Main LLC, an Illinois limited liability with the Obligee ("Contract") for completion of townhomes for a project known as Metro on Main ("Project").

WHEREAS, Obligee requires Principal to post a bond in its favor to secure completion of townhomes within the Project.

NOW THEREFORE, the condition of this obligation is such that if the above-named Principal, its successors and assigns, shall well and truly perform Contract, then this Bond shall be void. Otherwise, this Bond shall remain in full force and effect pursuant to its terms.

This Bond is subject to the following express conditions:

1. The Obligee has agreed to accept this Bond.
2. This bond is not subject to transfer, hypothecation, or assignment to third or other parties without the written consent of the surety.
3. Regardless of the number of years this Bond may be in force, the liability of the Surety shall not be cumulative in amounts from period to period and shall, in no event, exceed the amount set forth above, or as amended by rider.
4. If the Project is completed over a period of time, the penal sum of the Bond shall reduce as provided in the Contract. Upon completion of the Contract, this Bond automatically terminates.
5. There exist no maintenance or warranty requirements with respect to the Project that are bonded hereunder, nor do any such maintenance or warranty requirements exist after the end date set forth in the above paragraph. Any such maintenance or warranty requirements in any agreements relating to Project are extra-contractual and expressly excluded hereinunder.
6. No claim, action, suit, or proceeding shall be had or maintained against the Surety on this Bond unless such claim, action, suit or proceeding is brought or instituted upon the Surety within 60 days of (a) Principal's substantial completion of the Contract, or (b) Obligee's written declaration of Bond default, whichever date is sooner.
7. Any notice, demand, certification, or request for payment, made under this Bond shall be made in writing to the Surety at the address specified below and shall declare the Principal to be in default of its obligations bonded herein:

   Great American Insurance Company
   Attn: Bond Claims
   301 East Fourth Street, 24th Floor
   Cincinnati, OH 45202

8. Principal shall be given thirty (30) days after receipt of any declaration of default made by the Obligee to attempt to remedy the default.

9. Whenever the Obligee has performed its obligations with respect to the Contract and to Principal and Principal has failed to satisfy its default within thirty (30) days after receipt of written notice thereof from Obligee, Surety may proceed, at its option, with any of the following:

   a. Remedy the default;

b. Retain a replacement to remedy the default;

c. Remit the balance of the Contract Price (the total amount payable by Obligee to Principal under any underlying contract related to the Project and any amendments thereto less the amounts paid by Obligee to Principal under any such contracts) to the Obligee;

10. Upon completion of the Project site improvements, this bond will remain in effect until the last townhome receives a certificate of occupancy ("Final Occupancy").

11. Not less than thirty (30) days prior to the expiration of this Bond, the Village engineer shall be given written notice by means of certified or registered mail, indicating that this Bond is to expire.

12. If any conflict or inconsistency exists between the Surety's obligations or undertakings as described in this Bond and as described in any underlying contract between Principal and Obligee with respect to the Project, then the terms of this Bond shall prevail.

SIGNED, SEALED AND DATED this ____________ day of ______________________, 20______.

Principal: ________________________________

By: ______________________________________

Surety: Great American Insurance Company

By: ______________________________________

________________________, Attorney-in-Fact

Exhibit C

Cook County Assessor New Construction Reporting Form

:OOK COUNTY ASSESSOR
FRITZ KAEGI

COOK COUNTY ASSESSOR'S OFFICE
118 NORTH CLARK STREET, 3RD FLOOR
CHICAGO, IL 60602 | PHONE: 312.443.75
WWW.COOKCOUNTYASSESSOR.COM

New Construction, Property Additions or Improvements

Under the Illinois Property Tax Code, the owner of property on January 1 is liable for any increased taxes that result from the construction of new buildings, structures or other improvements on the property from the date when an occupancy permit was issued, or, from the date the new or added improvement was inhabitable and fit for occupancy, through December 31 of that year. (35 ILCS 200/9-180)

Instructions: The owner of the improved property is required to submit this form to the Assessor, within 30 days of the issuance of an occupancy permit or within 30 days of completion of improvements, and request that the property be reassessed. The Form may be submitted in person or by mail or electronic submission to the Cook County Assessor's Office, 118 N. Clark St., Room 300, Chicago IL 60602.

Taxpayer of Record

Property address

Property Identification Number (PIN), or PINs if relevant

__ __ / __ __ / __ __ __ __
Date construction completed (Month / Day / Year)

Please provide a summary of the new construction, addition or improvement added to your property, including square footage information:

____

____

____

____

____

Attestation:

I ________________________________ affirm and attest that the statements contained herein are true and accurate and that the information provided accurately reflects the condition of this property as of today's date. I further acknowledge that such information may contribute to the assessment of my property by Cook County Officials.

Date: ________________________________

Form published: March 18, 2020

Exhibit D
Required Utility Line Burial

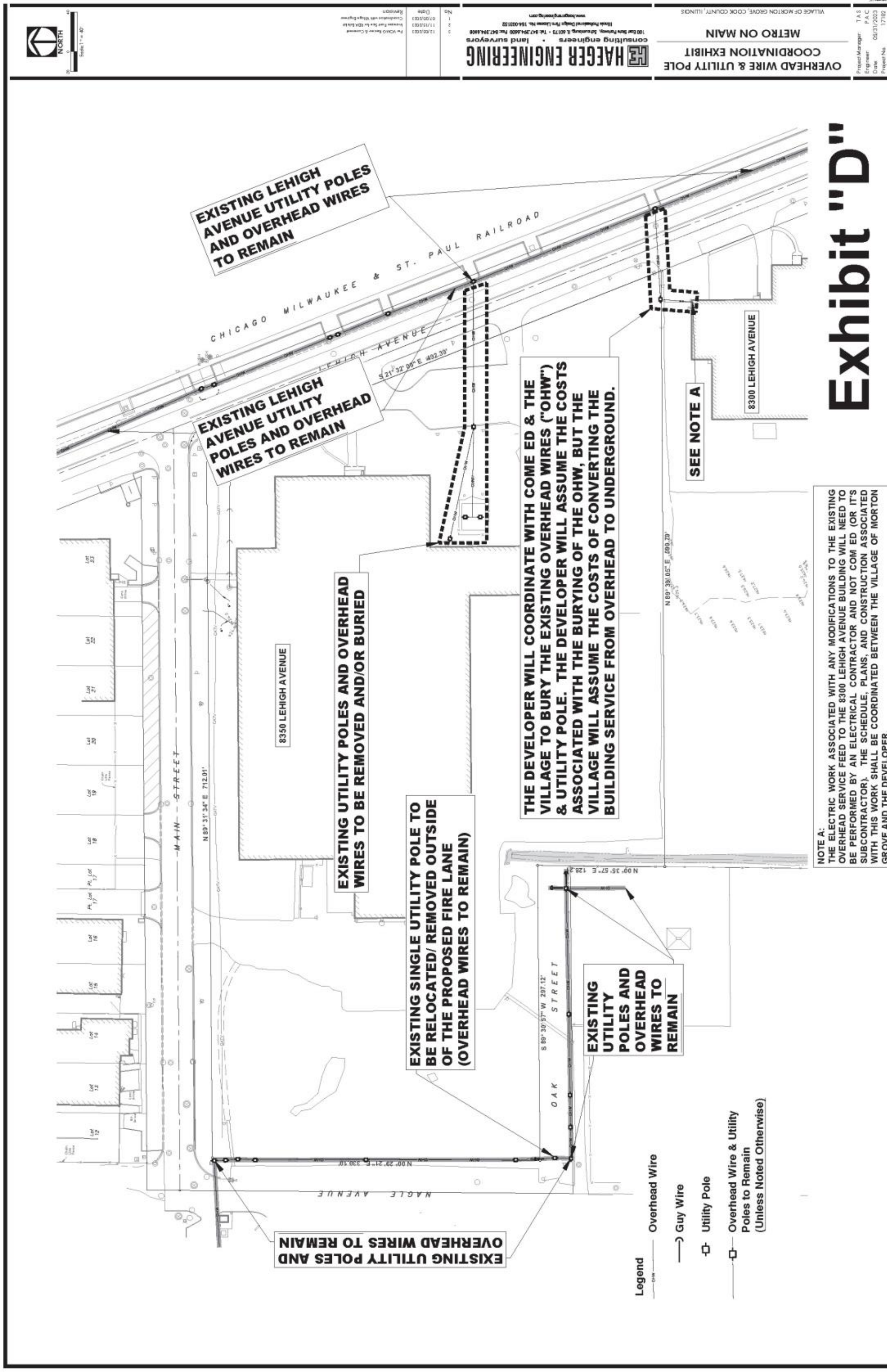


Exhibit E

Construction Schedule

Final Governmental Approvals	December, 2023
Commence Demolition, Site Improvements	First Quarter, 2024
Substantial Completion of Site Improvements	Fourth Quarter, 2024
Start Vertical Construction	First Quarter, 2024
Initial Occupancies	First Quarter, 2025
Execution of last sale contract	First Quarter, 2027
Final Occupancies	Third Quarter, 2027

Exhibit F

Demolition and Remediation

Section	Description		Total Cost ($)
	Site Development Costs		
A	Demolition, Debris and Asbestos removal		980,000.00
B	Soil Erosion & Sediment Control		42,248.00
C	Phase 1 Earthwork Improvements		489,545.00
			1,511,793.00
	Contigency	10%	151,179.30
	Total Site Development		**1,662,972.30**
D	Soft Costs		$533,661.55
	Contigency	10%	53,366.16
	Total Soft Costs		**587,027.71**
		Total	**2,250,000.01**

No. of Units	89	Per Unit	$	25,280.90

SITE DEVELOPMENT COST

Item No.	Description				
A: Demolition, Environmental & Debris Removal	Quantity	Unit	Unit Price	Total Amount	
1	Site Clean Up / Clearing	1	LS	$30,000.00	30,000.00
2	Building demolition, asphalt, electrical and asbestos removal	1	LS	$700,000.00	700,000.00
3	Soil Remediation	1	LS	$250,000.00	250,000.00
				Subtotal	**980,000.00**
B: Soil Erosion & Sediment Control	Quantity	Unit	Unit Price	Total Amount	
1	Erosion Control Fence	2,551	LF	$3.00	7,653.00
2	Tree Protection Fence	1	Budget	$5,000.00	5,000.00
3	Temporary Dewatering Device	1	EA	$2,000.00	1,945.00
4	Inlet Protection	51	EA	$150.00	7,650.00
5	Erosion Maintenance	1	Budget	$20,000.00	20,000.00
				Subtotal	**42,248.00**
C: Phase 1-Earthwork Improvements	Quantity	Unit	Unit Price	Total Amount	
1	Mobilization	1	LS	$35,000.00	35,000.00
2	Construction Entrance	3	EA	$9,000.00	27,000.00
3	Topsoil Excavation to Stockpile	5,500	CY	$5.50	30,250.00
4	Clay Excavation to Structural Fill	7,800	CY	$7.30	56,940.00
5	Gravel Excavation to Stockpile	3,500	CY	$5.50	19,256.00
6	Relocate Asphalt Pile	1,200	CY	$5.60	6,720.00
7	Topsoil Respread - Basins	2,100	CY	$5.30	11,129.00
8	Lime Structural Fill	13,500	CY	$16.50	222,750.00
9	Import Soil Media Mix - Pond Base	500	CY	$85.00	42,500.00
10	Import Aggregate - Pond Base	450	CY	$40.00	18,000.00
11	Soils Testing	1	LS	$20,000.00	20,000.00
				Subtotal	**489,545.00**
D: Soft Costs	Quantity	Unit	Unit Price	Total Amount	
1	Land Planning	1	Budget	$34,000.00	34,000.00
1	Engineering	1	Budget	$150,000.00	150,000.00
2	Engineering Construction Layout	1	Budget	$75,000.00	50,000.00
3	Engineering Construction Guidance	1	Budget	$15,000.00	15,000.00
4	Lot Monumentation (Set Iron Pipe at all lot corners)	1	Budget	$10,000.00	10,000.00
5	Site As-Builts	1	Budget	$10,000.00	10,000.00
6	Dry Utility coordination	1	Budget	$45,000.00	45,000.00
7	Landscape Consultant and tree survey	1	Budget	$35,000.00	35,000.00
8	Wetland Consultant	1	Budget	$10,000.00	10,000.00
9	Erosion Control Inspections and monitoring	1	Budget	$40,000.00	15,000.00
10	Soils Consultant(boring reports and testing)	1	Budget	$75,000.00	50,000.00
11	Wetland Consultant	1	Budget	$10,000.00	10,000.00
12	Environmental Consutant	1	Budget	$40,000.00	40,000.00
13	Other(TIF,Attny,BSB)	1	Budget	$40,000.00	59,661.55
				Subtotal	**533,661.55**

This Engineer's Opinion of Probable Construction Cost is based on Engineering Plans prepared by others, and is based on Haeger Engineering's best judgment as an experienced and qualified professional engineering firm, familiar with the construction industry. However, since Haeger Engineering, LLC has no control over the actual cost of labor, materials, equipment, or services provided by others, or over Contractor's methods of determining prices, or over competitive bidding or market conditions, Haeger Engineering, LLC cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from Opinions of Probable Construction Cost prepared by Haeger Engineering, LLC.

Exhibit G
TIF Note Form

REGISTERED
NO. ______

REGISTERED
$________

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
VILLAGE OF MORTON GROVE
TAX INCREMENT REVENUE NOTE, SERIES 20[__]
(______________ REDEVELOPMENT PROJECT)

Interest	Final Maturity	Dated
Rate: ______%	Date: __________, 20__	Date: ___________, 20__

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the Village of Morton Grove, Cook County, Illinois, a municipality, home rule unit and political subdivision of the State of Illinois (the *"Village"*), hereby acknowledges itself to owe and for value received promises to pay (subject to optional redemption as hereinafter provided) to the Registered Owner identified above, or registered assigns as hereinafter provided, the Outstanding Principal Amount of this Note in accordance with that certain Ordinance adopted by the President and Board of Trustees of the Village (the *"Corporate Authorities"*) on the ___ day of ______, 20___, (the *"Note Ordinance"*), and that Economic Incentive and Tax Increment Allocation Financing Development Agreement dated __________, 20_____, by, between and between the Village and Metro on Main LLC, an Illinois limited liability company (the *"Developer"*) (the *"Redevelopment Agreement"*), as hereinafter described, and interest on such Outstanding Principal Amount at the Interest Rate set forth above (computed on the basis of a 360-day year of twelve 30-day months) in annual installments of principal and interest on _________ of each year (each __________ 1 being an *"Interest Payment Date"*) until paid, in accordance with the amortization schedule attached hereto (the *"Amortization Schedule"*) commencing on the February 1 following the Dated Date on which funds are available and on deposit in the hereinafter defined Note and Interest Subaccount of the Available IPT Revenues Account of the Special Tax Allocation Fund held by the Village pursuant to the Redevelopment Agreement and the Note Ordinance, with the final installment of principal and interest coming due on the Final Maturity Date. *"Final Maturity Date"* means the date which is the earlier of (i) 20 years from the date of the issuance of the Notes or (ii) December 31, _______. Capitalized terms used herein and not defined shall have the meanings ascribed to such terms in the Note Ordinance and the Redevelopment Agreement. Interest due on the Notes on February 1, 20__, and February 1, 20__, shall be paid from Capitalized Interest on hand in the Note and Interest Subaccount of the Available IPT Revenues Account of the Special Tax Allocation Fund.

Interest when due (*"Current Interest"*) shall be paid from the later of the Dated Date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount of the Note is paid or duly provided for, as provided from the Note and Interest Subaccount of the Available IPT Revenues Account of the Special Tax Allocation Fund held by the Village pursuant to the Note Ordinance and the

Redevelopment Agreement, and if funds on deposit therein and to the credit thereof are insufficient for such purpose, such failure to pay shall not in and of itself constitute an event of default, but such interest shall thereupon be recorded by the Trustee as Deferred Accrued Interest (*"Deferred Accrued Interest"*). Deferred Accrued Interest which is owing and unpaid shall bear interest at the Interest Rate. The order of payment of interest on this Note shall be *first*, Deferred Accrued Interest, *second,* Current Interest, and *next*, Outstanding Principal Amount in accordance with the Amortization Schedule. Failure to pay when due any installment of Current Interest or any amount of Outstanding Principal Amount due to insufficiency of the Available IPT Revenues, whether at a regular Interest Payment Date, at Stated Maturity, Final Maturity or otherwise, shall in no event be deemed to be an event of default hereon. The Registered Owner of this Note, by acceptance hereof, hereby expressly agrees and acknowledges that there may be Deferred Accrued Interest hereon, that is, that Current Interest may not have been paid, without any special notation having been made upon this Note.

Principal and Interest on this Note shall be paid to the Registered Owner hereof as shown on the Register at the close of business on the Record Date. Principal and Interest hereon shall be paid by check or draft of the Village Treasurer (the *"Bond Registrar"*), payable upon presentation thereof in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on the Register or at such other address furnished to the Bond Registrar in writing or as directed by such Registered Owner, all as provided in the hereinafter defined Ordinance.

This Note is issued pursuant to Division 74.4 of Article 11 of the Illinois Municipal Code (the *"TIF Act"*), and all laws amendatory thereof and supplemental thereto, and specifically as supplemented by the Local Government Debt Reform Act, as amended, and the other Omnibus Bond Acts, as amended and as supplemented, and, where necessary, superseded, by the home rule powers of the Village under Section 6 of Article VII of the 1970 Constitution of Illinois, and the principal of and interest, and premium, if any, hereon are payable solely and only from [the Available IPT Revenues on deposit in the Note and Interest Subaccount of the Available IPT Revenues Account of the Special Tax Allocation Fund and amounts on hand in the Debt Service Reserve Subaccount of the Available IPT Revenues Account of the Special Tax Allocation Fund, all in accordance with the provisions of the Note Ordinance and the Redevelopment Agreement. This Note is being issued for the purposes of reimbursing the Registered Owner for certain TIF Eligible Expenses it has incurred in constructing the Redevelopment Project on behalf of the Village. The cost of such construction shall be deemed to be a disbursement of the proceeds of this Note.

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

Upon surrender hereof at the principal office maintained for the purpose by the Bond Registrar, accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the Registered Owner or an attorney for such owner duly authorized in writing, the Bond Registrar shall register this Note in the name of the new Registered Owner on the registration grid provided herein, and shall also enter the name and address of the new registered owner in the Note Register.

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

This Note, together with the interest thereon, is a limited obligation of the Village, payable solely from the Available IPT Revenues on deposit in the Note and Interest Subaccount of the Available IPT Revenues Account of the Special Tax Allocation Fund and amounts on hand in the Debt Service Reserve Subaccount of the Available IPT Revenues Account of the Special Tax Allocation Fund as provided in the Note Ordinance and the Redevelopment Agreement. For the prompt payment of this Note, both principal and interest, as aforesaid, at maturity, the Available IPT Revenues are hereby irrevocably pledged. THIS NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NO HOLDER OF THIS NOTE SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF PRINCIPAL HEREOF OR INTEREST HEREON. FAILURE TO PAY WHEN DUE ANY INSTALLMENT OF CURRENT INTEREST OR ANY AMOUNT OF DEFERRED ACCRUED INTEREST OR OUTSTANDING PRINCIPAL AMOUNT DUE TO INSUFFICIENCY OF THE AVAILABLE IPT REVENUES, WHETHER AT STATED MATURITY, FINAL MATURITY OR OTHERWISE, SHALL IN NO EVENT BE DEEMED TO BE AN EVENT OF DEFAULT ON THIS NOTE.

This Note may not be offered, sold, pledged or otherwise transferred except to an (i) a Qualified Institutional Buyer (as defined in Rule 144A promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended); (ii) Accredited Investor as defined by the Securities and Exchange Commission under Regulation D; (iii) any entity controlling, controlled by or under common control with Developer or (iv) any entity in which the majority equity interest is owned by the parties that have a majority equity interest Developer (an *"Allowable Holder"*). In connection with the transfer or assignment of this Note, the purchaser or assignee shall certify its qualification as an Allowable Holder to the Bond Registrar prior to such sale or assignment (a *"Sale Certification"*). Any sale, pledge or transfer of the Notes shall not be effective until the Bond Registrar has received a Sale Certification in connection therewith.

The Village shall be obligated to make payments under this Note even if a Developer Event of Default or a Village Event of Default under the Redevelopment Agreement has occurred. Such rights shall survive any transfer of this Note.

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

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

IN WITNESS WHEREOF the Village has caused this Note to be signed by the manual or duly authorized facsimile signatures of its President and Village Clerk and its corporate seal or a facsimile thereof to be hereunto affixed, all as of the date of delivery hereof, to wit, the ___ day of ____________, 20__.

____

President, Village of Morton Grove, Cook County, Illinois

Attest:

____

Village Clerk, Village of Morton Grove
Cook County, Illinois

(SEAL)

Date of Authentication: ___________________

CERTIFICATE

Agent:

Note Registrar and Paying

VILLAGE TREASURER OF THE VILLAGE OF MORTON GROVE, ILLINOIS
Morton Grove, Illinois

AUTHENTICATION

This Note is one of the Notes described in the within-mentioned Note Ordinance and is one of the _____________, Series 20__ (_____________ Redevelopment Project), having a Dated Date of _________, 20__, of the Village of Morton Grove, Cook County, Illinois.

VILLAGE TREASURER
as Note Registrar and Paying Agent

By_________________________________

Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

____

____

(Name and Address of Assignee)

the within Note and does hereby irrevocably constitute and appoint ____________________ as attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: ____________________ __________________________________

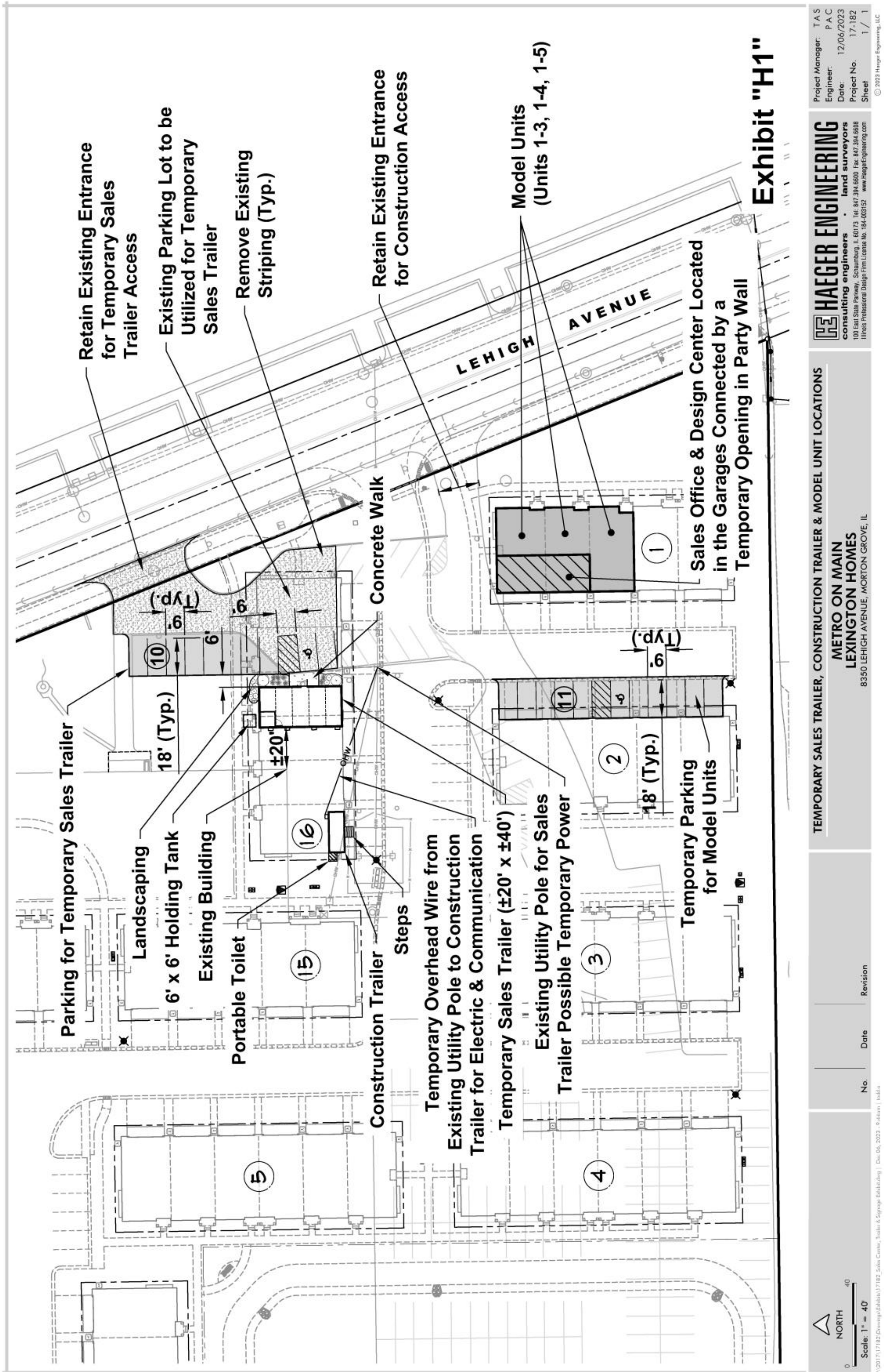
Signature guaranteed: __________________________

NOTICE: The signature to this transfer and assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

[AMORTIZATION SCHEDULE]

Exhibit H1

Temporary Sales Trailer, Construction Trailer and Model Units Location



<u>Exhibit H2</u>
Sales Office

[On file with Village of Morton Grove Department of Community & Economic Development]

Exhibit H3
Signage Guide

Metro on Main Signage Guide

1 1-sided (facing north) 8 X 6

2 1-sided (facing east) 8 X 6

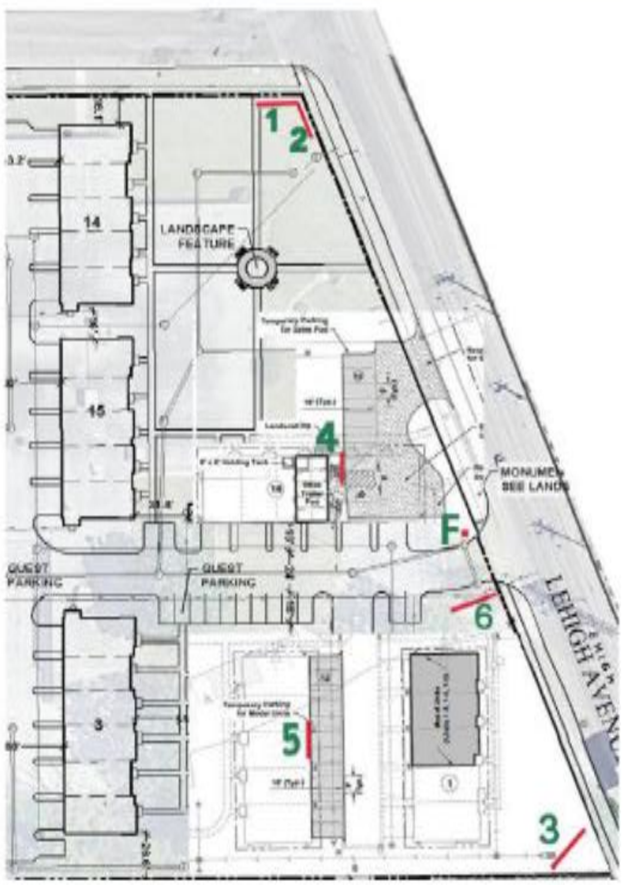
3 1-sided (facing southeast) 8 X 6

4 1-sided (facing west) 24" X 18" **(Temp during presale)**

5 1-sided (facing west) 24" X 18" **(Perm sales center)**

6 2-sided (facing north and south) 24" X 18"

F Feather flag - Approx 16 ft tall



VILLAGE OF MORTON GROVE, ILLINOIS

Lincoln Lehigh Tax Increment Financing - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2023

	Budgeted Amounts		Actual
	Original	Final	Amounts
Revenues			
Property Taxes	$ —	—	75,495
Expenditures			
Community Development			
Contractual Services	6,470,000	6,470,000	254,966
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,470,000)	(6,470,000)	(179,471)
Other Financing Sources			
Transfers In	—	—	2,788,000
Net Change in Fund Balance	(6,470,000)	(6,470,000)	2,608,529
Fund Balance - Beginning			10,167,774
Fund Balance - Ending			12,776,303

JRG Johnson Research Group

MEMORANDUM

Via Electronic Copy Only

DATE: August 8, 2023

TO: Zoe Heidorn, Village of Morton Grove

FROM: Ralph Kinser, Johnson Research Group, Inc.
Ann Moroney, Johnson Research Group, Inc.

RE: Review Request for Assistance for Town Home Development
Metro on Main, LLC
Lincoln-Lehigh TIF, Morton Grove, Illinois

Metro on Main, LLC ("Applicant" or "Developer") has a contract to purchase property at 8350 Lehigh Road in the Village of Morton Grove ("Village"). The site is improved with a vacant industrial building previously used by Morton Grove Pharmaceuticals, Inc, the current owner of the site. The Applicant proposes to demolish the vacant industrial building, remediate the site, and construct 89 "for sale" townhomes with associated amenities, including open space, stormwater detention facilities and landscaping (the "Project"). The townhome units will range from 1780 to 2278 square feet, with 2 garage spaces and 2 driveway spaces each, and the site will also contain 27 guest parking spaces scattered throughout the site. The Project Site lies within the boundaries of the Lincoln-Lehigh TIF District, which was adopted by the Village on October 25, 2021.

This brief memorandum summarizes Johnson Research Group's ("JRG") review of the Applicant's request and supporting information submitted to the Village.

Applicant's Request for Assistance

The Applicant is requesting a) $2.124 million in upfront TIF funds upon completion of the site improvements (demolition, remediation, etc.), and b) one tax-exempt and one taxable TIF Note with face values of $4.94 million and $1.05 million, respectively, for total assistance of $8.114 million. The Notes are assumed to be issued and monetized in March 2027. The requested TIF assistance represents 16.9% of estimated total project costs of $48.1 million.

It is notable that the requested assistance is significantly greater than the TIF request of the former proposed developer—M/I Homes--for this site with the identical number of town home units. M/I Homes requested a total of $6.0 million in nominal assistance, which was equal to a present value in 2024 of $4.9 million (6.5% interest rate). Metro on Main's request has present value of $7.75 million in 2024.

The reason for the difference between the two requests is the current Applicant shows both higher costs and lower sales revenue for the townhomes.

Extraordinary Costs / TIF-Eligible Costs

The Applicant cites extraordinary costs including: demolition, environmental contaminant disposal, soil/erosion control, earthwork, drainage, roadway, watermain and sanitary sewer improvements, landscape improvements, dry utility relocation, and curbs/gutters/drainage/roadway improvements on Lehigh. All of these extraordinary costs, including site development soft costs, will total $5.664 million, or $6.231 million inclusive of the 10% contingency.

The Developer projects reasonable average unit pricing, including all upgrades, of $501,500. The cost of land acquisition is $5,500,000, which is $61,800 per unit, or 12% of average unit price. Although total estimated project costs are estimated at $48.1 million, several cost items appear somewhat high compared to other townhome projects, including costs of Indirect Construction, Sales and Marketing, G&A, and Corporate Overhead (see Developer Exhibit 18-Preliminary Cash Flow Analysis). However, rather than debate the detailed cost line items, JRG advises guidance from the following principle:

> The TIF request should not exceed the extraordinary costs. In a community with a stable housing market such as Morton Grove, if the Village fully pays for extraordinary costs and the Developer still needs additional funding, this implies the Developer is not able to profitably build townhomes on a clean site with reasonable cost of land. This may be due to significant inflation in building costs, but would be true for any market rate development.

The Village must weigh the subsidy of a market rate residential development versus the particular public benefits to be derived.

TIF Revenue Projections

JRG reviewed increment projections submitted by the Applicant and prepared an independent set of projections for comparison. JRG's incremental revenue projections are slightly lower than the Developer's estimates which may be attributable, in part to different assumptions. JRG assumes 90% of units will receive the Homeowner's Exemption ($10,000 reduction in EAV per unit) and none will receive the Senior's Exemption ($8,000 reduction), whereas the Applicant indicated 100% of units will receive the Homeowner's Exemption in their list of assumptions. Sale prices per unit used in the Applicant's incremental revenue estimates ($514,442 per unit) were higher than in their proforma cash flow analysis. We suspect the sales pricing for the incremental revenue estimates is more accurate (with 2% inflation), as the sales proceeds in the cash flow remained constant at $501,545 per unit from 4Q 2023 through 4Q 2026. JRG is in agreement on other assumptions of the incremental revenue estimates (equalization factor, tax rate, 2% inflation, 95% collection rate, sales absorption rate, 40% allocated to school districts). Applicant did not allocate 2% to the Library Fund and assumed 10% allocation to the Village, so for comparison purposes, JRG used these same assumptions.

Overall, JRG's calculation of TIF incremental revenue varies only slightly from the Applicant's due to differences in assumptions as noted above. The Applicant estimated the net TIF revenue potentially available to the Project is $12.7 million over the life of the Lincoln-Lehigh TIF, whereas JRG estimated this figure at $12.5 million over the same period. The present value in 2024 of the estimated TIF revenue potentially available to the Project is $6.0 million per the Applicant, and $5.92 million per JRG. These figures do not include the estimated existing cash available in the TIF fund of $2.192 million (per Applicant request).

Project Financial Gap Analysis

Another crucial test of the need for financial assistance requires review of the financial gap and how TIF assistance would enable the Project to achieve the desired return on equity. The Applicant's has identified an internal rate of return to equity of 24.32% with TIF versus -39% without the requested TIF funding, and a return on total development costs of 9.15% with TIF versus -7.22% without TIF. Applicant suggests these are the required rates of return necessary to justify their investment.

JRG has reviewed the Applicant's cash flow and rate of return analysis, noting a few issues. The first issue JRG finds is the lack of unit price growth over the 3-year period of sales and closings. A second issue was found with the unusually high line item costs noted earlier, which might require greater scrutiny and explanation from the Developer as part of negotiations with the Village.

For additional analysis, JRG has adjusted the Applicant's cash flow to reflect inflation in prices per unit, with the assumption that $501,545 is the appropriate average price for the period June 2023 through June 2024, and thereafter average prices per unit will increase 2% per year.

Table 1. Estimated Prices Per Unit Sold by Year

	2024	2025	2026	2027
Applicant cash flow	$501,545	$501,545	$501,545	$501,545
JRG revised cash flow*	$501,545	$511,576	$521,807	$532,244
*JRG assumes 2% annual inflation in pricing				

JRG confirms the calculations of IRR to equity with and without TIF, as the Applicant has presented in Exhibit 19. However, after adjusting the townhome sale prices for 2% annual price increases, the IRR to equity, with the TIF assistance requested, increases to 30.7%.

Alternative Analysis

JRG prepared an alternative analysis based, in part, on the premise that TIF funding should be limited to the extraordinary costs of the Project, and the Village's need for funding to address other issues within the TIF district. Key assumptions for the analysis involve adjusting the Village allocation of TIF revenue from 10% to 25%, and using the sales prices per unit adjusted for inflation, but made no changes to the Developer's cost estimates. The duration of TIF assistance under this scenario would be similar to the Developer's requested timing, but would only require issuance of a singular tax-exempt TIF Note with face value of $3,500,000 and net proceeds of $3,200,000, and would still generate an IRR to equity of 22.9%.

Table 2. TIF Assistance Requested by Applicant versus JRG Alternative

	2024	2025	2026	2027 [1]	IRR to Equity
Applicant Assistance requested	$2,124,000	$-0-	$-0-	$5,089,233	24.3%
JRG Alternative Assistance [2]	$2,124,000	$-0 -	$68,814	$3,200,000	22.9%
[1] TIF assistance in 2027 represents net proceeds of Note monetizations.					
[2] JRG alternative assumes inflation adjusted sales pricing and 25% Village allocation of TIF.					

JRG estimates that a singular tax-exempt TIF Note can be issued in the first quarter of 2027 with initial principal of $3.5 million and 6.5% interest rate. JRG's estimated monetization assumes debt coverage ratio of 1.20 to 1.30, $125,000 in capitalized interest and $175,000 in issuance costs, yielding net proceeds to the Developer of $3.2 million. A debt service reserve is unlikely to be necessary at that time, with building completion and sales closings of 95.5% of all units (85 of 89 per Applicant).

The attached Tables present the following information and analysis:

Table 3: Estimated Incremental Property Tax and Allocations
Table 4: Comparison of Assumptions and Estimated Returns
Table 5: Preliminary Estimate of Note Amortization

Conclusion and Recommendations

Based on JRG's analysis of the Project's cash flow, TIF-eligible costs, extraordinary costs, and TIF revenue generation, JRG finds that an incentive for the Project is warranted to achieve a reasonable rate of return. However, the Applicant's requested assistance appears excessive and leaves little revenue for the Village to fund other important infrastructure needs within the TIF. The Village has indicated a willingness to transfer funds from the Lehigh-Ferris TIF to support the initial payment of $2,124,000 to reimburse the Applicant for TIF-eligible costs including demolition, environmental remediation, and site preparation, upon completion of those tasks. Thereafter, JRG recommends granting the TIF assistance outlined in Table 2 above. Specifically, JRG recommends a 35% allocation of Project-generated increment to the Developer, a payment of available increment collected in 2026, and issuance of a $3.5 million tax-exempt TIF Note upon completion of construction and sales closings of at least 90 to 95% of the 89 proposed townhome units, expected in early 2027.

Because projected sales prices and development budgets are subject to change, JRG recommends a true-up prior to the issuance of the tax-exempt TIF Note. JRG suggests a simple approach using differences from the Project's estimated gross profit (loss) to ensure an appropriate level of TIF funding. The Developer's estimated total Project Cost is $48,100,000. Project revenues, based on the average sales per unit plus 2% inflation, from a tentative mix of three townhome formats, is estimated at $45,914,687, for an estimated gross net loss of $2,185,313. For every dollar improvement from this estimated net loss, the TIF assistance would be reduced by 50 cents.

Table 3: Estimated Incremental Property Tax (IPT) and Allocation
Metro on Main, LLC
Morton Grove, Illinois

Reassessment Years = *		*			*			*
Assessment Year	2021	2022	2023	2024	**2025**	2026	2027	**2028**
Collection Year	2022	2023	2024	2025	2026	2027	2028	2029
TIF Distribution To Project	2023	2024	2025	2026	2027	2028	2029	2030
TIF Year	1	2	3	4	5	6	7	8
Inflation Factor			100.00%	100.00%	104.04%	104.04%	104.04%	110.41%
Closings	0	0	0	17	30	30	12	0
Cumulative closed	0	0	0	17	47	77	89	89
Percent Assessed	0	0	0	9.6%	36.0%	69.7%	93.3%	100.0%
Sales Proceeds				$ 8,526,265	$ 15,046,350	$ 15,046,350	$ 6,018,540	
Price / unit (2023, pre-inflation)				$ 501,545	$ 501,545	$ 501,545	$ 501,545	$ 501,545
Equalization Factor	3.0027	3.0027	3.0027	3.0027	3.0027	3.0027	3.0027	3.0027
Estimated EAV				$ 1,203,591	$ 4,725,860	$ 9,156,353	$ 12,257,698	$ 13,997,330
Base EAV				$ 2,788,390	$ 2,788,390	$ 2,788,390	$ 2,788,390	$ 2,788,390
Incremental EAV				$ -	$ 1,937,470	$ 6,367,963	$ 9,469,308	$ 11,208,940
Tax Rate	10.682%	10.682%	10.682%	10.682%	10.682%	10.682%	10.682%	10.682%
Gross Estimated IPT				$ -	$ 206,961	$ 680,226	$ 1,011,512	$ 1,197,339
Collection Rate				95.0%	95.0%	95.0%	95.0%	95.0%
Village admin rate				25.0%	25.0%	25.0%	25.0%	25.0%
Distribution to Schools/Libraries				40.0%	40.0%	40.0%	40.0%	40.0%
Net IPT Available to Project				0	$ 68,814	$ 226,175	$ 336,328	$ 398,115
Total TIF Distribution to Project			$ 2,124,000	$ -	$ 68,814	$ 226,175	$ 336,328	$ 398,115
Net IPT Available to Village			$ -	$ -	$ 49,153	$ 161,554	$ 240,234	$ 284,368
			Total (2023-2045)					
Ryan estimates, IPT Available to Project			$ 12,709,020	$ -	$ 122,545	$ 347,090	$ 496,786	$ 573,713
Ryan estimates, NPV 2024 (6.5%)			$6,012,771					
Ryan estimates, NPV 2024 of Total TIF Assist.			$8,136,771					
JRG -- IPT Available to Project (10% to Village)			$ 12,555,556					
JRG -- IPT Available to Project (25% to Village)			$ 8,208,985					
JRG - NPV of IPT Available (25% to Village), 2024			$3,988,196					
NPV (2024) of Total TIF Assistance (6.5%)			$6,112,196					

Table 3: Estimated Incremental Property Tax (IPT) and Allocation
Metro on Main, LLC
Morton Grove, Illinois

Reassessment Years = *			*			*			*
Assessment Year	2029	2030	**2031**	2032	2033	**2034**	2035	2036	**2037**
Collection Year	2030	2031	2032	2033	2034	2035	2036	2037	2038
TIF Distribution To Project	2031	2032	2033	2034	2035	2036	2037	2038	2039
TIF Year	9	10	11	12	13	14	15	16	17
Inflation Factor	110.41%	110.41%	117.17%	117.17%	117.17%	124.34%	124.34%	124.34%	131.95%
Closings	0	0	0	0	0	0	0	0	0
Cumulative closed	89	89	89	89	89	89	89	89	89
Percent Assessed	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sales Proceeds									
Price / unit (2023, pre-inflation)	$ 501,545	$ 501,545	$ 501,545	$ 501,545	$ 501,545	$ 501,545	$ 501,545	$ 501,545	$ 501,545
Equalization Factor	3.0027	3.0027	3.0027	3.0027	3.0027	3.0027	3.0027	3.0027	3.0027
Estimated EAV	$ 13,997,330	$ 13,997,330	$ 14,903,106	$ 14,903,106	$ 14,903,106	$ 15,864,323	$ 15,864,323	$ 15,864,323	$ 16,884,374
Base EAV	$ 2,788,390	$ 2,788,390	$ 2,788,390	$ 2,788,390	$ 2,788,390	$ 2,788,390	$ 2,788,390	$ 2,788,390	$ 2,788,390
Incremental EAV	$ 11,208,940	$ 11,208,940	$ 12,114,716	$ 12,114,716	$ 12,114,716	$ 13,075,933	$ 13,075,933	$ 13,075,933	$ 14,095,984
Tax Rate	10.682%	10.682%	10.682%	10.682%	10.682%	10.682%	10.682%	10.682%	10.682%
Gross Estimated IPT	$ 1,197,339	$ 1,197,339	$ 1,294,094	$ 1,294,094	$ 1,294,094	$ 1,396,771	$ 1,396,771	$ 1,396,771	$ 1,505,733
Collection Rate	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Village admin rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Distribution to Schools/Libraries	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Net IPT Available to Project	$ 398,115	$ 398,115	$ 430,286	$ 430,286	$ 430,286	$ 464,426	$ 464,426	$ 464,426	$ 500,656
Total TIF Distribution to Project	$ 398,115	$ 398,115	$ 430,286	$ 430,286	$ 430,286	$ 464,426	$ 464,426	$ 464,426	$ 500,656
Net IPT Available to Village	$ 284,368	$ 284,368	$ 307,347	$ 307,347	$ 307,347	$ 331,733	$ 331,733	$ 331,733	$ 357,612
Ryan estimates, IPT Available to Project	$ 573,713	$ 573,713	$ 619,771	$ 619,771	$ 619,771	$ 668,649	$ 668,649	$ 668,649	$ 720,519
Ryan estimates, NPV 2024 (6.5%)									
Ryan estimates, NPV 2024 of Total TIF Assist.									
JRG -- IPT Available to Project (10% to Village)									
JRG -- IPT Available to Project (25% to Village)									
JRG - NPV of IPT Available (25% to Village), 202									
NPV (2024) of Total TIF Assistance (6.5%)									

Table 3: Estimated Incremental Property Tax (IPT) and Allocation
Metro on Main, LLC
Morton Grove, Illinois

Reassessment Years = *			*			*
Assessment Year	2038	2039	**2040**	2041	2042	**2043**
Collection Year	2039	2040	2041	2042	2043	2044
TIF Distribution To Project	2040	2041	2042	2043	2044	2045
TIF Year	18	19	20	21	22	23
Inflation Factor	131.95%	131.95%	140.02%	140.02%	140.02%	148.59%
Closings	0	0	0	0	0	0
Cumulative closed	89	89	89	89	89	89
Percent Assessed	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sales Proceeds						
Price / unit (2023, pre-inflation)	$ 501,545	$ 501,545	$ 501,545	$ 501,545	$ 501,545	$ 501,545
Equalization Factor	3.0027	3.0027	3.0027	3.0027	3.0027	3.0027
Estimated EAV	$ 16,884,374	$ 16,884,374	$ 17,966,861	$ 17,966,861	$ 17,966,861	$ 19,115,604
Base EAV	$ 2,788,390	$ 2,788,390	$ 2,788,390	$ 2,788,390	$ 2,788,390	$ 2,788,390
Incremental EAV	$ 14,095,984	$ 14,095,984	$ 15,178,471	$ 15,178,471	$ 15,178,471	$ 16,327,214
Tax Rate	10.682%	10.682%	10.682%	10.682%	10.682%	10.682%
Gross Estimated IPT	$ 1,505,733	$ 1,505,733	$ 1,621,364	$ 1,621,364	$ 1,621,364	$ 1,744,073
Collection Rate	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Village admin rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Distribution to Schools/Libraries	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Net IPT Available to Project	$ 500,656	$ 500,656	$ 539,104	$ 539,104	$ 539,104	$ 579,904
Total TIF Distribution to Project	$ 500,656	$ 500,656	$ 539,104	$ 539,104	$ 539,104	$ 579,904
Net IPT Available to Village	$ 357,612	$ 357,612	$ 385,074	$ 385,074	$ 385,074	$ 414,217
Ryan estimates, IPT Available to Project	$ 720,519	$ 720,519	$ 775,563	$ 775,563	$ 775,563	$ 833,977
Ryan estimates, NPV 2024 (6.5%)						
Ryan estimates, NPV 2024 of Total TIF Assist.						
JRG -- IPT Available to Project (10% to Village)						
JRG -- IPT Available to Project (25% to Village)						
JRG - NPV of IPT Available (25% to Village), 202						
NPV (2024) of Total TIF Assistance (6.5%)						

Table 4. Comparison of Assumptions and Returns
Metro on Main, LLC
Village of Morton Grove, Illinois

	Applicant	JRG
IPT Estimates		
Annual inflation rate	2.0%	2.0%
Equalization Factor	3.0027	3.0027
Tax Rate	10.682%	10.682%
Collection Rate	95%	95%
Schools/Library allocation	40%	40%
Village allocation	10%	25%
Cash Flow Analysis		
Average Sale Price/unit	$ 501,545	$ 515,895
Total Sales	$ 44,637,505	$ 45,914,687
Total Dev. Costs	$ 48,100,000	$ 48,100,000
Implied Gross Profit (Loss)	$ (3,462,495)	$ (2,185,313)

TIF Assistance - Payments / Net Proceeds

	Applicant	JRG	
2024	$ 2,124,000	$ 2,124,000	payment from available IPT
2025	$ -	$ -	
2026	$ -	$ 68,814	payment from available IPT
2027	$ 5,089,233	$ 3,200,000	net proceeds of TIF Note sale

	Applicant	JRG
IRR to Equity without TIF	-39.0%	-20.4%
IRR to Equity with TIF	24.3%	22.9%

Table 5: Preliminary Estimate of Note Amortization
Metro on Main, LLC
Village of Morton Grove, Illinois

Assumptions -- Tax-Exempt TIF Note

Pledged Revenue Stream:
75.0% of Net IPT from Residential Townhomes after Distribution to Schools and Libraries

Issuance Date	03/01/27	
Initial Principal Value	$3,500,000	
Interest Rate	6.50%	
Cost of Issuance	175,000	5.00%
Capitalized Interest Reserve	125,000	
Debt Service Reserve	-	
Net Proceeds to Developer	**$3,200,000**	

Coverage Ratio IPT 1.30 Interest Compounding Semi-annually

Note Year	Payment Date	IPT Collection Year	Estimated IPT Available to Note	Debt Service Coverage Ratio	Debt Service	Cap I	Principal	Interest	Principal Balance
0	02/01/27								$3,500,000
1	02/01/28	2027	226,175	1.30	173,981	125,000	67,784	$ 231,197	$3,432,216
2	02/01/29	2028	336,328	1.30	258,714	-	31,994	$ 226,719	$3,400,222
3	02/01/30	2029	398,115	1.30	306,242	-	81,637	$ 224,606	$3,318,585
4	02/01/31	2030	398,115	1.30	306,242	-	87,029	$ 219,213	$3,231,556
5	02/01/32	2031	398,115	1.30	306,242	-	92,778	$ 213,464	$3,138,778
6	02/01/33	2032	430,286	1.30	330,989	-	123,654	$ 207,336	$3,015,125
7	02/01/34	2033	430,286	1.30	330,989	-	131,822	$ 199,168	$2,883,303
8	02/01/35	2034	430,286	1.30	330,989	-	140,529	$ 190,460	$2,742,774
9	02/01/36	2035	464,426	1.30	357,251	-	176,074	$ 181,177	$2,566,700
10	02/01/37	2036	464,426	1.30	357,251	-	187,705	$ 169,547	$2,378,995
11	02/01/38	2037	464,426	1.30	357,251	-	200,104	$ 157,148	$2,178,892
12	02/01/39	2038	500,656	1.30	385,120	-	241,191	$ 143,929	$1,937,701
13	02/01/40	2039	500,656	1.30	385,120	-	257,123	$ 127,997	$1,680,578
14	02/01/41	2040	500,656	1.30	385,120	-	274,107	$ 111,013	$1,406,471
15	02/01/42	2041	539,104	1.30	414,695	-	321,789	$ 92,906	$1,084,682
16	02/01/43	2042	539,104	1.30	414,695	-	343,045	$ 71,650	$741,637
17	02/01/44	2043	539,104	1.30	414,695	-	365,705	$ 48,990	$375,931
18	02/01/45	2044	579,904	1.30	400,764	-	375,931	$ 24,833	$0
Totals					**$ 60,886,586**		**$ 35,000,000**	**$ 27,523,906**	

[1] See prior tables for detailed assumptions used to estimate incremental property taxes (IPT).
[2] The Debt Service Coverage Ratio may vary based on market conditions.
[3] 20 years is the maximum term allowed for TIF revenue notes/bonds under the Illinois TIF Act.
[4] Lincoln Lehigh TIF was adopted in 2021 and expiration 12-31-45.