

This instrument prepared by:

Adam R. Moreland
CHUHAK & TECSON, P.C.
120 S. Riverside Plaza, Suite 1700
Chicago, Illinois 60606

Upon recording to
be returned to:

CoVantage Credit Union
1000 E. Lincoln Highway
New Lenox, Illinois 60451
Attention: Michael Liskiewicz

ASSIGNMENT OF REDEVELOPMENT AGREEMENT AND TIF NOTE

THIS ASSIGNMENT OF REDEVELOPMENT AGREEMENT AND TIF NOTE (this “**Agreement**”), is made and entered into as of the 21st day of December, 2023, by and among the VILLAGE OF HOMEWOOD, Cook County, Illinois, an Illinois municipal corporation (the “**Village**”), HCF HOMEWOOD, LLC, an Illinois limited liability company (the “**Developer**”), and COVANTAGE CREDIT UNION, its successors and assigns (the “**Lender**”).

WITNESSETH:

WHEREAS, Village and the Developer have entered into that certain First Restatement of the Redevelopment Agreement dated as of July 27, 2021 (the “**Development Agreement**”), pertaining to the development of a mixed-use building (the “**Improvements**”) on the property legally described on Exhibit A attached hereto and hereby made a part hereof (the “**Land**”, and, together with the Improvements, the “**Project**”); and

WHEREAS, pursuant to the Development Agreement, the Village is to execute those certain Village of Homewood Taxable Non-Recourse Subordinate Lien Tax Increment Revenue Note, Series 2021, in the aggregate principal amount of up to \$3,558,877.00 (collectively the “**TIF Notes**”) upon compliance with the terms and conditions of the Development Agreement; and

WHEREAS, pursuant to the Development Agreement, the Village has agreed to reimburse the Developer for costs eligible to be reimbursed in an amount up to \$7,000,000.00; and

WHEREAS, the Developer and the Lender have entered into that certain Loan Agreement dated as of December 21, 2023 (the “**Real Estate Loan Agreement**”), concerning the extension by the Lender to the Developer of a real estate loan in the original principal amount of \$8,288,000.00 (the “**Real Estate Loan**”); and

WHEREAS, the obligation of the Borrower to repay the Real Estate Loan is evidenced by that certain Note dated as of the date hereof (the “**Real Estate Note**”) in the original principal amount of \$8,288,000.00; and

WHEREAS, the Real Estate Note is secured by, among other things, that certain Mortgage dated as of December 21, 2023 (the “**Senior Mortgage**”), executed by the Developer in favor of the Lender; and

WHEREAS, the Developer and the Lender have entered into that certain Loan Agreement dated as of December 21, 2023 (the “**TIF Loan Agreement**” and together with the Real Estate Loan Agreement, the “**Loan Agreements**”), concerning the extension by the Lender to the Developer of a TIF loan in the original principal amount of \$712,000.00 (the “**TIF Loan**” and together with the Real Estate Loan, collectively, the “**Loans**”); and

WHEREAS, the obligation of the Borrower to repay the TIF Loan is evidenced by that certain Note dated as of the date hereof (the “**Lender TIF Note**” and together with the Real Estate Note, the “**Lender Notes**”) in the original principal amount of \$712,000.00; and

WHEREAS, the Lender TIF Note is secured by, among other things, that certain junior Mortgage dated as of December 31, 2023 (the “**Junior Mortgage**” and collectively with the Senior Mortgage, the “**Mortgages**”), executed by the Developer in favor of the Lender; and

WHEREAS, the Lender has required, as an express condition to extending Loans pursuant to the Loan Agreements (a) that the Developer assign all of its rights under the Development Agreement and the TIF Note to the Lender to secure the obligations of the Developer to the Lender under the Lender Notes, and (b) that the Village agrees to certain other matters, all as more fully contained herein.

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

1. The Developer hereby assigns to the Lender all of its right, title and interest under and pursuant to the Development Agreement and the TIF Note, when issued, including, but not limited to, the right to receive payments under the TIF Note to secure the Developer’s obligations under the Lender Notes and the Loan Agreements.

2. To perfect the Lender’s security interest in the TIF Note, upon satisfaction of all conditions under the Development Agreement to the issuance of the TIF Note, the Village shall endorse and issue the TIF Note directly to the Lender, and send the original thereof to the address set forth in Section 13 hereof.

3. The Developer hereby represents and warrants to the Lender that there have been no prior assignments of the Development Agreement or the TIF Note, that the Development Agreement is and the TIF Note will be valid enforceable agreements and that neither the Developer nor the Village is in default thereunder and that all covenants, conditions and agreements have been performed as required therein, except those not to be performed until after the date hereof. The Developer hereby agrees not to sell, assign, pledge, mortgage or otherwise transfer or encumber its interest in the Development Agreement or the TIF Note as long as this Agreement is in effect. The Developer hereby irrevocably constitutes and appoints the Lender as its attorney-in-fact to demand, receive and enforce the Developer’s rights with respect to the Development Agreement and the TIF Note for and on behalf of and in the name of the Developer

or, at the option of the Lender, in the name of the Lender, with the same force and effect as the Developer could do if this Agreement had not been made.

4. This Agreement shall constitute a perfected, absolute and present assignment, provided that the Lender shall have no right under this Agreement to enforce the provisions of the Development Agreement or the TIF Note or exercise any rights or remedies under this Agreement until an Event of Default (as defined in the Loan Agreement) shall occur and be continuing.

5. This Agreement constitutes a Security Agreement under the Uniform Commercial Code as adopted in the State of Illinois (“UCC”). Upon the occurrence of an Event of Default, the Lender may, without affecting any of its rights or remedies against the Developer under any other instrument, document or agreement, exercise its rights under this Agreement as the Developer’s attorney-in-fact in any manner permitted by law and in addition the Lender shall have the right to exercise and enforce any and all rights and remedies available after a default to a secured party under the UCC. If notice to the Developer of any intended disposition of collateral or of any intended action is required by law in any particular instance, such notice shall be commercially reasonable if given in writing at least ten (10) days prior to the intended disposition or other action. Any payments received by the Lender pursuant to the Redevelopment Agreement or TIF Note shall be applied by the Lender against amounts owed by the Developer under the Lender Notes and the Loan Agreements.

6. The Village hereby consents and agrees to the terms and conditions of this Agreement. The Village further represents to the Lender that the Development Agreement is, and upon issuance the TIF Note will be, valid agreements and that neither of the Village nor the Developer is in default thereunder and that all covenants, conditions and agreements have been performed as required therein, except those not to be performed until after the date hereof.

7. The Village hereby acknowledges that it has approved Project (as defined in the Development Agreement).

8. The Village hereby subordinates the Development Agreement to the Mortgages.

9. The Village agrees that the obligations of the Developer, and the rights of the Village, with respect to the construction and completion of the Project under the Development Agreement shall, in all respects, be subordinate to the rights of the Lender under the Mortgages.

10. The Village acknowledges and agrees that the rights of the Village with respect to the application of insurance proceeds are subordinate to the rights of the Lender under the Mortgages.

11. The Village hereby agrees to provide the Lender with copies of any notice of default given under the Development Agreement, and that the Lender shall have the right, but not the obligation, to cure any such default on behalf of the Developer within the time period specified in the Development Agreement.

12. The Village hereby approves the assignment by the Developer of its rights under the Development Agreement and the TIF Note to the Lender pursuant to the terms of this Agreement.

13. The parties hereto hereby agree that no change or amendment shall be made to the terms of the Development Agreement or the TIF Note without the prior written consent of the Lender.

14. The Village and the Developer acknowledge that the Lender is not a party to the Development Agreement, and the Lender shall not, by executing this Agreement or by exercising its rights and remedies hereunder or under the Mortgage or the Loan Agreement, incur any obligations of any kind or otherwise be or become liable to the Village or anyone, whether under the Development Agreement or otherwise; nor shall the Village, by executing this Agreement, incur any obligations of any kind or otherwise be or become liable to the Developer or the Lender or anyone, whether under the Mortgage, the Loan Agreement or otherwise.

15. The Village hereby represents to the Lender that the making, execution, delivery and performance of this Agreement by the Village has been authorized by all necessary action of the Village, and that this Agreement is the valid and binding obligation of the Village, enforceable against the Village and its respective successors and assigns in accordance with its terms.

16. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, return receipt requested, postage prepaid, and addressed as indicated below. The Village, the Developer and the Lender may, by written notice by each to the others, designate any other address or addresses to which notices, certificates or other communications to them may be sent. Unless otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

IF TO THE VILLAGE:

Village of Homewood
Attn: Village Manager
2020 Chestnut Road
Homewood, Illinois 60430

IF TO THE DEVELOPER:

HCF Homewood, LLC
Attn: Tim Flanagan and Robert Hansen
11001 W. McCarthy Road
Palos Park, Illinois 60464

IF TO THE LENDER:

CoVantage Credit Union
1000 E. Lincoln Highway
New Lenox, Illinois 60451
Attention: Michael Liskiewicz

17. The Village agrees that in the event the Lender, a transferee of the Lender, or a purchaser at foreclosure sale, acquires title to the Project pursuant to foreclosure, or a deed in lieu thereof, the Lender, transferee or purchaser shall not be bound by the terms and conditions of the Development Agreement. Further, the Village agrees that in the event the Lender, a transferee of the Lender or a purchaser at foreclosure sale acquires title to the Project pursuant to a foreclosure sale or a deed in lieu thereof, then the Lender, transferee or purchaser shall be entitled to all rights conferred upon the Developer under the Development Agreement and the TIF Note, provided that no condition of default exists and remains uncured beyond any applicable cure periods in the obligations of the Developer under the Development Agreement and provided such party complies with all requirements of the Developer under the Development Agreement.

18. This Agreement may be waived, modified, amended, terminated, or discharged only explicitly in a writing signed by the Lender. A waiver by the Lender shall be effective only in a specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Lender's rights or remedies hereunder. All rights and remedies of the Lender shall be cumulative and may be exercised singularly or concurrently, at the Lender's option, and any exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other.

19. No provision of this Agreement shall be deemed or construed to alter, amend or modify, in any way, the rights and remedies of the Village contained in the Development Agreement.

20. This Agreement shall be binding upon the Village, the Developer and the Lender and their respective successors and assigns and shall inure to the benefit of and may be enforced by the Lender and its successors and assigns, including the purchaser in any foreclosure sale or the transferee in any transfer in lieu of foreclosure of the Project.

21. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

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EXHIBIT A

PARCEL 1:

LOT 1 IN RIDGE-MARTIN SUBDIVISION, BEING A SUBDIVISION LOTS 9,10, 11 AND 12 IN BLOCK "A" IN THE VILLAGE OF HARTFORD, BEING A SUBDIVISION OF PART OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 36 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 31, 2021 AS DOCUMENT NO. 2109019017, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOT 2 EXCEPT THE SOUTH 19.00 FEET (AS MEASURED PARALLEL TO THE EAST LINE OF LOT 2) OF THE EAST 104.00 (AS MEASURED PARALLEL TO THE SOUTH LINE OF LOT 2) AND EXCEPT THE EAST 14.00 FEET (AS MEASURED PARALLEL TO THE SOUTH LINE OF LOT 2) OF THE SOUTH 35.00 FEET (AS MEASURED PARALLEL TO THE EAST LINE OF LOT 2) IN RIDGE-MARTIN SUBDIVISION, BEING A RESUBDIVISION OF LOTS 9, 10, 11 AND 12 IN BLOCK "A" IN THE VILLAGE OF HARTFORD, BEING A SUBDIVISION OF PART OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 36 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 31, 2021 AS DOCUMENT NUMBER 2109019017, IN COOK COUNTY, ILLINOIS.

PINs: 29-31-310-023-0000; and
 29-31-310-024-0000

Commonly known as: 2033-2045 Ridge Road and 18042-18048 Martin, Avenue, Homewood, Illinois 60430