

**FIRST RESTATEMENT OF THE REDEVELOPMENT AGREEMENT  
BETWEEN HCF HOMEWOOD, LLC  
AND THE VILLAGE OF HOMEWOOD**

This First Restatement of the Redevelopment Agreement is executed effective as of the July 27, 2021 (“Effective Date”) by the Village of Homewood, Cook County, Illinois, an Illinois municipal corporation (“Village”) and HCF Homewood, LLC, an Illinois limited liability company (“Developer”). This First Restatement replaces the Redevelopment Agreement dated November 25, 2019 (the “Redevelopment Agreement”) between the Village and the Developer. Capitalized terms used herein shall have the meaning ascribed in the Redevelopment Agreement unless expressly modified herein, or if the context thereof shall clearly indicate otherwise.

**BACKGROUND**

The Village and the Developer entered into the Redevelopment Agreement in late 2019 to facilitate Developer’s development of a mixed use project (“Project”) in the Village’s Downtown Transit Oriented Development Tax Increment Financing District (“TOD TIF”). The Project is to be constructed on a site owned by the Village which is to be acquired by the Developer pursuant the terms of a Purchase Agreement (“Purchase Agreement”) between the Village and the Developer. Unfortunately, acquisition and commencement of the Project has been delayed and extended because of the COVID-19 pandemic.

As adverse economic effects of the COVID-19 pandemic abate, the Developer has determined to move forward with a modified Project. The original Project included additional guest rooms to be leased to a nearby hotel. However, the pandemic has severely impacted the entire hotel industry. As a result, to maximize the Project’s economic viability, the Developer has proposed eliminating the “guest rooms” originally planned for the Project and replacing those guest rooms with additional apartments. The Village has agreed to this modification of the Project.

NOW, THEREFORE, in consideration of the foregoing recitals, and to induce the Developer and Village to proceed with the new development contemplated by the Redevelopment Agreement, and for other good and valuable consideration, the parties hereto agree as follows:

This Agreement is entered into on July 27, 2021 and shall replace in its entirety the Redevelopment Agreement approved on November 25, 2019, by and between the Village of Homewood, Cook County, Illinois, an Illinois municipal corporation (hereinafter referred to as the “Village”), and HCF Homewood, LLC, an Illinois limited liability company, (hereinafter referred to as “Developer”).

WITNESSETH:

In consideration of the Preliminary Statements, the mutual covenants herein contained and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties agree:

**1. Preliminary Statements.**

Among the matters of mutual inducement which have resulted in this Agreement are:

(a) The Village in 2017 established the Downtown Transit Oriented Development Tax Increment Financing District (TOD TIF) to re-establish the redevelopment project area as a vibrant mixed-use and transit oriented district.

(b) Developer has proposed demolishing a vacant one-story commercial building in the TOD TIF owned by the Village and constructing a four-story, mixed use building to include a first-floor restaurant/retail, three floors of rental apartments, ("the Project").

(c) Developer and Village have entered into a Purchase and Sale Agreement, incorporated herein and attached as Exhibit A, for the purchase of the 43,920 square foot Village-owned parcel in the TOD TIF (the "Property"), described in the Purchase Agreement.

(d) Developer has requested assistance from the Village in the management of real estate taxes for the Property, and financial assistance related to property acquisition, planning, design, site improvement, and construction of the Project.

(e) The Village has engaged the firm of Kane McKenna and Associates to independently assess the Project's viability and the Developer's eligibility for financial assistance.

(f) Developer represents and warrants that the Project requires economic assistance to be given by the Village and the Project as contemplated would not be economically viable without such assistance.

(g) The Project will enhance the downtown area by increasing population density, restoring the Property to the tax rolls, and creating another dining option for downtown residents and patrons.

(h) The Project is the first redevelopment opportunity in the TOD TIF and as such is critical to the TIF's financial success.

## **2. Village Authority.**

The Project is within an area designated by the Village as a Tax Increment Redevelopment Project Area as authorized by Section 11-74-4.1 *et seq.* of the Illinois Municipal Code. (65 ILCS 5/11-74.4 *l et seq.*) Section 11-74.4-4 authorizes municipalities to contract with private agencies or persons to carry out a Redevelopment Plan.

Section 8-1-2.5 of the Illinois Municipal Code (65 ILCS 5/8-1-2.5) authorizes municipalities to appropriate and expend funds for economic development purposes, including, without limitation, making grants to any other governmental entity or commercial enterprise deemed necessary or desirable for the promotion of economic development within the municipality.

## **3. Term of the Agreement.**

The term of this Agreement shall commence on the day succeeding the date of execution first written above. Expiration of the Agreement shall be at 12:00 p.m. on December 31, 2042, or when all incentives have been paid to the Developer, whichever occurs first.

## **4. Conditions Precedent to the Undertakings on the Part of the Village.**

All undertakings by the Village under this Agreement are subject to satisfaction of these conditions by Developer:

(a) Developer shall have substantially completed the requirements of the Purchase Agreement for the timely acquisition, development and occupancy of the Property. It is understood that approvals from the Village Director of Public Works and any other necessary agency, board or commission of the Village as required in this agreement or the Purchase Agreement shall be given in their sole capacity as agents of a municipal corporation with discretion to approve all plans for development within the Village, and the Village shall not be deemed to have caused a default or have any liability for its failure to approve the final development plan, stages of development, or Final Completion of the Project.

(b) Subject to the terms of Section 6 below, Developer, within 540 days from the date of site acquisition, shall have constructed the Project.

(c) Before acceptance of the Final Completion of the Project by the Village, Developer shall have delivered to the Village an unaudited certified statement of all costs of the Project signed by an officer of the Company, with such other relevant cost certifications relating to the Project as the Village may reasonably request. Final

Completion means the issuance by the Village of Homewood of a conditional or final occupancy permit for each portion of the building comprising the Project.

(d) Developer acknowledges that 65 ILCS 5/11-74.4-4 requires the Village to request alternate proposals or bids for the disposition of the Property. Village acknowledges that it has complied with its requirements under 65 ILCS 5/11-74.4-4 and that no alternate bids were received by the Village.

## **5. Undertakings by the Village.**

Upon satisfaction by Developer of all the conditions hereinabove stated by the dates set forth above, the Village undertakes to aid the Developer through cost reimbursements and other support as detailed in paragraphs (a) and (b) below, but subject to the conditions of paragraphs (c) and (d) below:

(a) The Village will support an application by Developer to Cook County for a Class 8 designation of the site acquired. Any reasonable expense to the Village in supporting the application by Developer will be paid by Developer. This County program provides for tax abatement to Developer which reduces the assessment rate for twelve years. The application will be made by the Developer, and Village will provide the appropriate municipal certifications requested by Developer for the Application, including providing to Developer a certified resolution, the form of which is attached as Exhibit B, stating that the Project follows the overall plan for redevelopment of the area and that the Village is in full support of the Developer's application to obtain a Class 8 tax designation for the Property. The Village makes no representation as to the merit of the application for a Class 8 designation. Developer may terminate this Agreement if Developer fails to receive the Class 8 designation for the Property or the letter it has requested from the Cook County Assessor's Office, the form of which is attached as Exhibit C, indicating that its Class 8 application should be approved.

(b) As authorized by the State of Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.1-1 *et seq.*, referred to as the "Act") and subject to this Agreement, the Village of Homewood agrees to reimburse the Developer for up to \$7,000,000 in costs eligible for reimbursement under the Act over a nineteen (19) year period, payable from incremental tax revenues deposited in the TOD TIF special tax allocation fund. The costs to be reimbursed to the Developer are listed in paragraphs 5(c), (d), and (e) below. In addition to reimbursements for TIF eligible expenses under the Act, the Village may also make economic development grants as authorized under 65 ILCS 5/8-1-2.5 up to the reimbursement amount stated in this paragraph.

(c) Exhibit D lists the Project's one-time costs eligible for reimbursement under the Act.

(d) The Village agrees to reimburse the Developer for Thirty Percent (30%) of its interest cost incurred related to the Project, as authorized by Section 11-74.4-3(q)(11) of the Act.

(e) The Village agrees to issue non-recourse tax increment revenue notes for unreimbursed TIF eligible expenses as provided below.

(i) The Village agrees to authorize/issue one or more Notes as the Village of Homewood Taxable Non-Recourse Subordinate Lien Tax Increment Revenue Note, Series 2021, (the "Notes") to Developer in the total aggregate principal amount of three million five hundred fifty eight thousand eight hundred and seventy seven Dollars (\$3,558,877) in the form attached as Exhibit E. The non-recourse Notes shall bear interest at Nine- and One-Half Percent (9.5%) per annum, for a term which is the shorter of: (i) the date on which all principal and interest due and owing on the non-recourse Notes is paid in full or (ii) nineteen (19) years from the date of the non-recourse Notes. The Note holder will have no recourse to compel the Village to pay from any other sources, except as provided for herein, nor compel the Village to have any obligation to extend the Notes or the duration of the TIF. The Notes shall have the liens on the Developer's Incremental Taxes, whether senior or subordinated to any other Notes, as requested by the Developer.

(ii) Prior to Developer's request for the first of the Notes, Developer shall submit a written statement to the Village certifying that it has completed the Required Improvements. Along with its request for the first of the Notes, Developer shall submit a statement stating the total amount spent on the Property and specifying the TIF Costs incurred, pursuant to Exhibit D, and shall include general contracts, general contractor's sworn statements, subcontracts, material purchase orders, waivers of lien, paid receipts and invoices to confirm that the total Property costs and the TIF Costs have been incurred and paid.

(iii) The Village shall respond to the Developer's request for the issuance of a Village Note(s) within thirty (30) days by issuing the Notes. Furthermore, the Village agrees to issue Notes to refund any Notes if the total principal amount of the refunding Notes does not exceed the amount of the Notes that are refunded.

(iv) The Village will establish and maintain the Downtown Transit Oriented Development TIF Special Tax Allocation Fund for the deposit of all incremental taxes generated from the Downtown Transit Oriented Development TIF. The incremental taxes from the Property (Project

Incremental Taxes) are a portion of the Downtown Transit Oriented Development TIF and will be segregated from the remainder of the Downtown Transit Oriented Development TIF. Those Project Incremental Taxes will be divided equally and recorded separately as the Developer's Incremental Taxes and the Village's Incremental Taxes. The Village will promptly provide annual notice by February 1 of each year, or whatever annual deadline is required, to Cook County, directing that separate tax codes shall be designated, assigned and maintained for each property index number assigned and dedicated to the Property and establish and maintain a sub-account within the Downtown Transit Oriented Development TIF Special Tax Allocation Fund for the deposit of Developer's Incremental Taxes (the "Downtown Transit Oriented Development Sub-Account"). The Village's Contribution, under this Agreement to pay the non-recourse Notes, shall be paid solely from the Developer's Incremental Taxes generated solely from the Property. As it relates to the Developer's Incremental Taxes, the Village Notes shall not be subordinate to any other obligations of the Village. The Developer's Incremental Taxes shall be used solely to make payment obligations on Village's non-recourse Notes and shall be the sole source of funding for paying the principal and interest of the Notes. In the event the Developer's Incremental Taxes are inadequate to make scheduled Notes payments or to fully repay the Notes, the Village shall have no obligation to provide any additional funds from any other source other than the Developer's Incremental Taxes. For an abundance of clarity, the foregoing provisions relating to the source of funding under the Notes shall not impair the independent obligations of the Village pursuant to Section 5(f) of this Agreement to assure Developer's receipt of Developer's Minimum Annual Return. Village shall not be deemed to be in default of this Agreement or the Notes if the Developer's Incremental Taxes are insufficient to make any payment on the Notes. As it relates to the Developer's Incremental Taxes, the Village non-recourse Notes and any Revenue Bonds shall not be subordinate to any other obligations of the Village. After the full redemption of the Notes, 100% of the Project Incremental Taxes shall thereafter be the Village's Incremental Taxes.

(vii) Not General Obligation. THE 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 NOTES SHALL BE PAYABLE SOLELY FROM DEVELOPER'S INCREMENTAL TAXES DEPOSITED INTO THE DOWNTOWN TRANSIT ORIENTED DEVELOPMENT TIF SUB-ACCOUNT. INSUFFICIENCY OF THE DEVELOPER'S INCREMENTAL TAXES TO PAY INTEREST OR PRINCIPAL OBLIGATION RELATING TO THE

NOTES WHEN DUE SHALL NOT BE A DEFAULT THEREON, AND NO NOTE HOLDER THEREOF SHALL HAVE ANY RECOURSE WHATSOEVER AGAINST THE VILLAGE IF THE DEVELOPER'S INCREMENTAL TAXES ARE INSUFFICIENT TO PAY ANY INTEREST OR PRINCIPAL OBLIGATION WHEN DUE.

(ix) During the Term, the Village covenants and agrees that, until all principal and interest payments due to Developer under the Notes have been made, the Village: (1) unless required by law, shall not revoke the TIF Ordinances; (2) shall not commingle the Developer's Incremental Taxes with any other municipal debt obligations; (3) shall not pledge or apply any portion of the Developer's Incremental 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 5.(e)(iv) above; and (6) shall comply with all annual reporting requirements in the Act.

(x) Payment on the Notes.

(i) Once the Notes are issued, the Village shall make payments as provided for herein on the Notes, upon receipt of Developer's Incremental Taxes from Cook County. Payments shall be made to the Registered Owner at the address registered with the Village. The Village shall continue to make payments to the original Registered Owner unless the Registered Owner directs the Village in writing to make payments to a successor owner.

(ii) The Village shall make semi-annual payments on the Notes by the date thirty (30) days after the date on which the Village receives payment from the Cook County Treasurer for so long as the Notes are outstanding.

(xi) Assignment or Transfer of Notes.

After the Village has issued the Certificate of Completion, Developer may assign the non-recourse Notes without the written prior consent of the Village. Developer acknowledges that the non-recourse Notes can only be assigned or transferred to a (i) "sophisticated investor" having enough knowledge and experience in business matters and non-rated revenue

notes to evaluate the risks and merits of the non-recourse Notes as an investment (a "Sophisticated Investor") or (ii) a trustee bank that would hold the Note(s) as trustee for the benefit of Sophisticated Investor(s) pursuant to a trust agreement (a "Certificateholder"). Any non-recourse Notes assignee, other than with respect to a trustee bank, and each Certificateholder, must sign a letter to the Village confirming that he, she or it is a "sophisticated investor" and understands the risks inherent in a tax increment revenue note. No consent shall be required for any pledge of the Notes as collateral security to a third-party lender, so long as the Developer provides written notification to the Village and direction to make payments to said lender. In addition and notwithstanding the foregoing to the contrary, the Developer may transfer the Notes to (i) any entity controlling, controlled by or under common control with Developer or (ii) any entity in which the majority equity interest is owned by the parties with a majority equity interest in the Developer.

(f) Village Contribution to Support Minimum Annual Return.

Developer has submitted a cash flow pro forma for the Project as part of its application for financial assistance, attached as Exhibit F. A fundamental metric for Developer to attract capital and to obtain bank or other institutional financing to enable the Project to proceed requires that the Project, after substantial completion, must generate minimum return on cost (ROC) from all sources on a cumulative basis over a period of not less than nineteen (19) years at not less than nine percent (9%) per annum ("Developer's Minimum Overall Return"). ROC is to be calculated on the total cost ("Total Project Cost") of developing and constructing the Project (which shall include all hard and soft costs, including, without limitation, development fees, engineering fees, costs of materials and labor, contractors' fees, architectural fees, construction management fees, construction escrow and title insurance fees, lender funding fees, legal fees, other professional fees, leasing commissions, capitalized interest accrued or paid during construction, and all other costs customarily included in developing and constructing a development such as the Project); provided further, that ROC from all sources for any individual year ("Developer's Minimum Annual Return") must be, after Substantial Completion of the Project (as hereinafter defined), not less than seven and 94/100 percent (7.94%) per annum. Without public assistance from the Village to assure Developer receives Developer's Minimum Annual Return each year over the life of this Agreement, the Project will not be developed.

As used herein, ROC is defined for any fiscal year as Total Operating Revenue less Total Operating Expenses, divided by Total Project Cost. For purposes of this Agreement, Total Operating Revenue includes all rental revenue, tenant reimbursements, 100% of the incremental real estate taxes generated by the Project and received from the Village, and all other income generated at or from the Project to the benefit of Developer. Total



Operating Expenses includes all property-level operating expenses for owning and operating the Project, including, without implied limitation, insurance premiums, utilities, property taxes, repair and maintenance costs, janitorial fees, scavenger fees, management fees, leasing fees, legal fees, license fees, and other usual and customary costs of owning, maintaining and operating the Project. ROC excludes depreciation and amortization, gain/loss on sale of real estate, interest expense, and other non-operating items of expense. Developer's fiscal year is the calendar year beginning January 1. Where ROC must be calculated for a partial year, the calculation shall be prorated based upon the actual number of days in such partial year divided by a 365-day year.

As used herein, "Substantial Completion of the Project" means that construction of the Project is sufficiently complete to enable Developer to obtain from the Village occupancy permits (or equivalent) to allow all parts of the Project to be occupied and used for their intended purpose.

To achieve Developer's required ROC, the Developer and Village agree:

(i) If at any time throughout the duration of this Redevelopment Agreement after Substantial Completion of the Project, ROC, including 100% of the incremental ad valorem taxes generated by the Project, for any fiscal year shall be less than Developer's Minimum Annual Return of seven and 94/100 percent (7.94%) per annum, the Village shall:

(a) Reimburse Developer for TIF eligible expenses from TIF Funds other than those generated by the Project; or

(b) Provide an economic development grant of non-TIF funds under Section 8-1-2.5 of the Illinois Municipal Code (65 ILCS 5/8-1-2.5)

sufficient to achieve Developer's Minimum Annual Return for that fiscal year.

(ii) If the Project generates ROC in any fiscal year that exceeds the Developer's Minimum Overall Return of 9% ("Excess ROC"), fifty percent (50%) of such Excess ROC shall be retained by Developer as its sole property, and fifty percent (50%) of such Excess ROC shall be paid to the Village as the Village's sole property.

*Examples For Illustration Only*

Total Project Cost	\$9,578,819
Guaranteed ROC 7.94%	\$760,558
Split ROC above 9.00%	\$862,094

("TOR" = Total Operating Revenue; "TOE" = Total Operating Expenses)

Scenario 1	Scenario 2	Scenario 3
TOR \$907,428	TOR \$1,100,000	TOR \$1,300,000
TOE \$266,196	TOE \$275,000	TOE \$290,000
ROC \$641,232 (6.69%)	ROC \$825,000 (8.6%)	ROC \$1,010,000 (10.5%)
Village pays \$119,326 (\$760,558-\$641,232)	Village pays zero	\$147,906 split 50-50 Village & Developer (\$1,010,000-\$862,094)

(iii) Commencing in the first calendar quarter following the first full fiscal year after Final Completion of the Project, Developer shall annually provide to the Village before the end of the first calendar quarter of the succeeding fiscal year compiled financial statements for the Project ("Annual Financial Statements") for the preceding fiscal year prepared by a Certified Public Accountant which shall include worksheets calculating: (i) ROC, (ii) the amount, if any, required to be made by Village to Developer to achieve the Developer's Minimum Annual Return, (iii) the amount, if any, of Excess ROC; (iv) the amount, if any, of Excess ROC to be paid by Developer to Village; (v) records showing the Developer's the Developer's interest cost incurred related to the Project in the preceding fiscal year. The Annual Financial Statements shall not be audited but shall be certified to the Village by an officer of Developer as accurate in all material respects.

If Developer fails to deliver to the Village any documentation listed in Section 5.(f)(iii) above, or otherwise violates any material term or provision of this Redevelopment Agreement, then the Village shall have no obligation to make any payment to Developer until any such failure or violation is cured to the Village's commercially reasonable satisfaction, and all rights of Developer to demand any current or future payment from the Village shall be suspended until such failure or violation is so cured. All other obligations on the part of the Village arising under this Redevelopment Agreement shall be deferred and without effect until such failure or violation is so cured. Should a default continue throughout a cure period of ninety (90) days after a Notice of Default has been mailed or hand delivered by Village to Developer, and Developer has provided no evidence of a good faith effort to correct such default, then Village may terminate this Redevelopment Agreement

as provided in Section 23. Should Developer provide to Village such evidence of a good faith effort to correct the default within the initial ninety (90) day cure period, then the cure period will be extended for a period not to exceed ninety (90) days or such reasonable time to cure said default, whichever is greater. No interest shall be paid by the Village on any payments due to be paid but are unpaid because of the default of Developer or because of any Notice of Default to Developer. Except as provided in the Notes referred to in Section 5(e) of this Agreement, in no instance shall the Village be required to pay interest to Developer on amounts owed by Village to Developer under this Redevelopment Agreement. Any period of default by Developer shall not extend the time limitation for completion of the Project or extend the term of the Redevelopment Agreement.

(g) **Building Demolition Agreement.**

As part of this Agreement, the Village and the Developer have approved a Building Demolition Agreement attached as Exhibit G. Payments made to the Developer by the Village under the Demolition Agreement shall not count against the financial incentive cap in paragraph 5.(b) and shall be excluded from Total Project Cost, Total Operating Revenue, and Total Operating Expense calculations in paragraph 5.(f).

**6. Undertakings on the Part of Developer.**

(a) Developer shall obtain Final Completion of the Project within 540 days following site acquisition in substantial accordance with the Cost Estimates, plans and specifications approved by the Village, and all ordinances, rules and regulations of the Village and of other regulatory agencies from which approval must be obtained.

(b) Promptly upon completing the Project, Developer shall request a certificate from the Village certifying that Developer has completed the Project in conformance with the Cost Estimates (the "Certificate of Completion"), and the Village shall not unreasonably withhold or delay issuance of such Certificate of Completion. Denial of such Certificate of Completion by the Village shall be made within ninety (90) days from receipt of Developer's request for certification, and it shall include the specific elements of completion required for such certificate to be issued. Developer shall have sixty (60) days or such reasonable time to comply with the terms of the denial and to issue a new request for certification. With the request for a Certificate of Completion, Developer shall provide an affidavit that the Project has been completed free from any mechanics liens, and shall, at the request of the Village, provide final lien waivers for of all the work. Should the Developer choose to contest and not settle any mechanics liens on the Property at the time of the request for a Certificate of Completion, Developer may deposit with its title insurance company such amount of money required by the title company to provide a title indemnity policy insuring against the collection of such liens and/or encumbrances, or it may provide to the title company a third-party bond

insuring the title company against collection of such liens and/or encumbrances. A copy of such title insurance policy in the full amount of the contract work shall be evidence of the insurance over such liens and/or encumbrances, and such liens shall not preclude the issuance of the Certificate of Completion. In addition to, but not in lieu of the foregoing, Developer acknowledges that it must comply with Village codes and ordinances regarding the issuance of building and occupancy permits.

(c) Developer recognizes and agrees that the Village has sole (but not arbitrary) discretion regarding all Village approvals and permits relating to the Project, and reasonable failure by the Village to grant any required approval or issue any required permit shall not be deemed a default by the Village under this Agreement or cause any claim against or liability to the Village under this Agreement.

(d) Developer covenants and agrees to make all of its records relevant to the Village's determination of Project construction costs available to the Village for inspection and copying during regular business hours. The Village will attempt to maintain the confidentiality of any information identified by Developer as proprietary, privileged, or 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 if, 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.

(e) During construction of the Project, Developer shall maintain worker's compensation insurance and liability insurance in amounts and with companies licensed or authorized to do business in Illinois and shall cause the Village, its elected public officials, officers, agents and employees to be named as additional insureds on such liability policy or policies for any claims made against the Village because of this Agreement for personal injury, wrongful death, or property damage. A certificate of insurance verifying such coverage shall be furnished to the Village before the issuance of any construction permit. Developer shall indemnify, save, and hold harmless the Village, its elected officials, agents, and employees from and against any damage, liability, loss or deficiency (including, without limitation, reasonable attorney's fees and

other costs) incident to any suit, demand, claim or liability regarding the Village's participation in this Agreement.

(f) At or before execution of this Agreement, Developer shall furnish proof of financing in the form of a letter of commitment acceptable to Village from a financial institution along with evidence of the equity required for the necessary funding to complete the Project.

## **7. Representations and Warranties of Developer.**

(a) Developer represents and warrants that the Project requires economic assistance from the Village to complete the development of the Project substantially in accordance with the Cost Estimates, and, but for the economic assistance to be given by the Village, as heretofore stated, the Project as contemplated would not be economically viable.

(b) Developer represents and warrants that the Project shall be constructed and completed at a cost no less than the Cost Estimates, subject to Developer's right to obtain cost savings during construction, and Developer shall not make any reduction therein without the reasonable approval of the Village.

(c) Developer represents and warrants that it shall comply with all laws, rules and regulations of the Village of Homewood, State of Illinois, County of Cook and the United States and all agencies thereof applicable to the Project.

(d) Developer represents and warrants that the approximate cost of the Project (excluding interest payments) shall not be less than \$9,578,819.

(e) Developer represents and warrants that it shall pay all taxes, assessments, water charges, sewer charges and the like on the Project and the Property when the same are due and before any penalty attaches and shall provide the Village, or any agency designated by the Village, with paid receipts or other acceptable evidence of payment thereof. Notwithstanding the foregoing, the Developer may, except as otherwise provided in this Agreement, in good faith and with reasonable diligence, contest the validity or amount of any such taxes, assessments or charges, if during any such contest, the enforcement of the lien of such taxes, assessments or charges is stayed.

(f) Developer agrees to submit all post construction documentation to complete its Class 8 application during the first available filing period following completion of the Project. Furthermore, Developer agrees that it will not seek retroactive application of the Class 8 designation, nor will it seek Certificates of Error based upon the Class 8 designation for tax years before the year the Class 8 application is finally approved.

## 8. Defaults.

The occurrence of any of the following shall constitute a default under this Agreement:

(a) A default of any material term, condition or provision, contained in any agreement or document relating to the Project (other than this Agreement), and failing to cure such default within the time and manner as provided in any such agreement or document, provided such default has a material impact on the Project.

(b) Failure to comply with any material term, provision or condition of this Agreement within the times herein specified, provided however, that such time limit may be extended by either Party if the defaulting Party is diligently attempting to comply.

(c) If a representation or warranty of Developer contained herein is not correct for ninety (90) days after written notice to Developer by the Village.

(d) Developer shall: (i) become insolvent; and (ii) be unable, or admits in writing its inability to pay, its debts as they mature; or (iii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its or their property; or (iv) be adjudicated a bankrupt; or (v) file a petition in bankruptcy or to effect a plan or other arrangement with creditors; or (vi) file an answer to a creditor's petition (admitting the material allegations thereof) for an adjudication of bankruptcy or to effect a plan or other arrangement with creditors; or (vii) apply to a court to appoint a receiver for the Property; or (viii) have a receiver or similar official appointed for any of its assets, or, if such receiver or similar official is appointed without the consent of Developer and such appointment shall not be discharged within sixty (60) days after his appointment or Developer has not bonded against such receivership or appointment; or (ix) a petition described in (v) is filed against Developer and remains undismissed for sixty (60) consecutive days, unless the same has been bonded.

Upon an occurrence of a default by either Party under this Agreement or the Purchase Agreement, if such default has not been cured within the time period provided in Section 23 of this Agreement, the non-defaulting Party shall be relieved of any of its obligations arising under this Agreement and such obligations shall be immediately canceled and with no force or effect. After an uncured default, the non-defaulting Party may exercise remedies available to it under each of the above Agreements. The remedies shall include, but are not limited to, revoking the site plan and building permits, authorizing payment to the Village of any funds held in escrow, or taking whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance of any obligation, undertaking, covenant or agreement of the non-defaulting Party in Sections 4, 5, and 6 of this Agreement. Provided, however,

the Village shall be required to perform its obligations under Section 5 if Developer has substantially performed its obligations.

**9. Notices.**

All notices and requests required under this Agreement shall be sent by personal delivery or Certified Mail as follows:

**To the Village:**

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

**To the Developer:**

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

**With Copy to:**

Christopher J. Cummings  
Christopher J. Cummings, P.C.  
2024 Hickory Road, Suite 205  
Homewood, Illinois 60430

**With Copy to:**

Robbins, Salomon & Patt, Ltd.  
Attn: R. Kymn Harp  
180 N. LaSalle St., Suite 3300  
Chicago, IL 60601

or at such other addresses as the parties may indicate in writing to the other either by personal delivery or by Certified Mail, return receipt requested, with proof of delivery thereof.

**10. Law Governing.**

This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois.

**11. Assignment or Transfer of Property.**

(a) Subject to the terms hereof and of the Real Estate Purchase and Sale Agreement (Exhibit A), Developer represents and warrants that it will not sell or otherwise convey its contract interest or its title to the property (the "Property") to be acquired by Developer as provided therein, or transfer or assign or approve any transfer or assignment of any beneficial interest in the Property other than to an affiliated entity or to the purchaser of all interest of the Developer, until Final Completion of the Project.

(b) Upon transferring title in the Subject Property, the obligations of Developer under this Agreement may be modified as defined in Section 12 below.

(c) Upon execution of this Agreement, the parties shall also execute a Memorandum of Agreement in the form attached as Exhibit H to this Agreement. Village shall record that Memorandum of Agreement upon transfer of title to Developer or Developer's nominee under the Purchase Agreement between Village and Developer. Upon Final Completion, Village shall release the Memorandum of Agreement.

## **12. Continuity of Obligations.**

(a) Developer acknowledges that the Village has entered into this Agreement in reliance on the Developer's representation that Developer will construct the Project and pay real estate taxes on the Subject Property for the term of this Agreement. Developer restates that representation. Developer's obligations under this Agreement shall constitute covenants running with the land. This covenant shall be released upon the termination of this Agreement or upon agreement of the parties.

(b) Any transfer or assignment of all or any interest in the Property by Developer (including the beneficial interest under a land trust) after Final Completion and occupancy shall be submitted to the Village for its reasonable approval. Provided, however, no Village approval shall be required for transfer to the Property to an affiliate or subsidiary of Developer or to any entity controlling, controlled by or under common control with Developer. Such transferee shall state its acceptance, in writing, of the terms of this Agreement as a covenant running with the land. If the Village determines that the proposed transferee has the ability to fulfill the remaining obligations undertaken by the Developer, the Village shall be required to consent to the transfer. If the Village consents to a transfer and the proposed transferee has accepted the terms of this Agreement as a covenant running with the land, Developer shall be relieved of any further obligations under this Agreement.

(c) Developer's obligations under this Agreement include payment when due of all real estate taxes assessed against the Property.

## **13. Time.**

Time is of the essence under this Agreement. All time limits set forth are mandatory and cannot be waived except by a lawfully authorized and executed written waiver by the Party excusing such timely performance; provided, if the time for giving of any notice or the performance of any obligation or cure shall expire on a Saturday, Sunday or legal holiday, such time shall be extended to the end of the next regular business day.



**14. Binding Effect.**

This Agreement shall inure to the benefit of and shall be binding upon the Village and Developer and their respective successors and assigns.

**15. Limitation of Liability and Indemnification.**

(a) No recourse under or upon any obligation, covenant or provision of this Agreement or for any claim based thereon or otherwise in respect thereof shall be had against the Village, its officers, agents and employees, in any amount in excess of the obligations of the Village under this Agreement, or in excess of any specific sum agreed by the Village to be paid to Developer, subject to the terms herein, and no liability, right or claim at law or in equity shall attach to or shall be incurred by the Village, its officers, agents and employees in excess of such amounts and all and any such rights or claims of Developer against the Village, its officers, agents and employees for amounts in excess of such Village obligations are expressly waived and released as a condition of and as consideration for the execution of this Agreement by the Village.

(b) Developer agrees to indemnify, defend and hold the Village harmless from and against any losses, costs, damages reasonable, liabilities, claims, suits, actions, causes of action and expenses (including without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the Village arising from or in connection with (i) the failure of Developer to perform its obligations under this Agreement, or (ii) material misrepresentations or omissions in this Agreement, the Project development plan or any financing documents related thereto which result from information supplied or omitted by the Developer or by agents, employees, contractors, or persons acting under the control or at the request of the Developer, and the failure of Developer to cure any misrepresentations or omissions in this Agreement or any other agreement relating hereto, or (iii) any claim or cause of action for injury or damage to persons or property brought by third parties arising out of the construction or operation of the Project by Developer.

**16. Reimbursement for Legal Fees and Expenses.**

In the event either Party institutes legal proceedings against the other Party relating to a default under this Agreement and secures a judgment in its favor, the court having jurisdiction thereof shall determine and include in its judgment all expenses of such legal proceedings incurred by the prevailing party, including court costs, reasonable attorneys' fees, and witness fees incurred in connection therewith.

**17. Force Majeure.**

In case by reason of "Force Majeure" either party is unable wholly or in part to carry out its obligation under this Agreement, then if such party gives written notice, including the full particulars of such "Force Majeure" to the other party within a reasonable time after occurrence of the cause relied on, the obligation of the party giving such notice, so far as it is affected by such "Force Majeure" shall be suspended during the continuance of the inability, but for no longer period, and such party shall endeavor to remove such inability with all reasonable dispatch. The term "Force Majeure" as used herein means but shall not be limited to: acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States, or the State of Illinois or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquake, fire, hurricanes, tornadoes, storms, floods, washouts, droughts, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals and frozen ground or other winter weather which prevents the excavation and completion of footings and foundation. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty but that the above requirement that any "Force Majeure" shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty.

**18. No Waiver or Relinquishment of Right to Enforce Agreement.**

Failure of any party to this Agreement to insist upon the strict and prompt performance of the terms, covenants, agreements, and conditions herein contained, or any of them, upon any other party imposed, shall not constitute or be construed as a waiver or relinquishment of any party's right thereafter to enforce any such term, covenant, agreement or condition, but the same shall continue in full effect.

**19. Village Approval or Direction.**

Where Village approval or direction is required by this Agreement, such approval or direction means the approval or direction of the Corporate Authorities of the Village unless otherwise expressly provided or required by law, and any such approval may be required to be given only after and if all requirements for granting such approval have been met unless such requirements are inconsistent with this Agreement.

**20. Section Headings and Subheadings.**

All section headings or other headings in this Agreement are for general aid of the reader and shall not limit the plain meaning or application of the provisions thereunder whether covered or relevant to such heading or not.

**21. Authorization to Execute.**

The officers of Developer who have executed this Agreement warrant that they respectively have been lawfully authorized by the Developer to execute this Agreement on behalf of Developer. The President and Clerk of the Village warrant that they have been lawfully authorized by the Village Board of the Village to execute this Agreement. Developer and Village shall deliver, upon request to each other, copies of all articles of incorporation, bylaws, minutes and other evidence of the authority to so execute this Agreement on behalf of the respective parties.

**22. Amendment.**

This Agreement sets forth all the promises, inducements, agreements, conditions and understandings between Developer and the Village relative to the subject matter thereof, and there are no promises, agreements, conditions or understandings, either oral or written, express or implied, between them, other than are herein set forth. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the parties unless authorized in accordance with law and reduced to writing and signed by them.

**23. Curing Default.**

In the event of any default under or violation of this Agreement, the party not in default or violation shall serve written notice upon the party or parties in default or violation, which notice shall be in writing and shall specify the particular violation or default. The parties shall use their best efforts to cure any violation of this Agreement or default by any of them within ninety (90) days from written notice of such default. Should the default continue throughout the ninety (90) day cure period, and the defaulting party has provided no evidence of a good faith effort to correct such default, then the Agreement shall be terminated, and the offending party shall be in default. Should the defaulting party provide sufficient evidence of a good faith effort to correct the default within the initial ninety (90) day cure period, then the cure period shall be extended for a period not to exceed ninety (90) days or such reasonable time to cure said default, whichever is greater. If such default is so cured to the reasonable satisfaction of the parties within the cure period not exceeding ninety (90) days, all the terms of this Agreement shall remain in full force and effect. Any obligation of the Village to make

payments during any default period shall be stayed. Any period of default shall not extend the time limits set forth for payments.

**24. Conflict Between the Text and Exhibits.**

In the event of a conflict in the provisions of the text of this Agreement and the exhibits attached hereto, the text of the Agreement shall control and govern.

**25. Severability.**

If any provision of this Agreement is held invalid by a court of competent jurisdiction or in the event such a court shall determine that the Village does not have the power to perform any such provision, such provision shall be excised here from and the invalidity thereof shall affect none of the other provisions contained herein, and such judgment or decree shall relieve Village from performance under such invalid provision of this Agreement; provided, however, if the judgment or decree relieves the Village of its obligations under Section 5, then Developer will be relieved of its obligations.

**26. Expiration and Termination.**

The Agreement shall terminate as provided in Section 3 of this Agreement, or upon the occurrence of a material default, as provided in Section 23 of this Agreement.

**27. Recording of Agreement.**

This Agreement may be recorded with the Cook County Clerk-Recording Division, at the Developer's expense.

**28. Execution of Agreement and Counterparts.**

This Agreement shall be signed last by the Village and the President of the Village shall affix the date on which he signs this Agreement on page 2 which date shall be the effective date of this Agreement. This Agreement may be executed in two or more counterparts, each of which taken together, shall constitute one and the same instrument.

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[SIGNATURE BLOCKS APPEARS ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

**Village of Homewood**  
**an Illinois municipal corporation**

**HCF Homewood, LLC,**  
**an Illinois limited liability company**

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

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

Attest:  
  
\_\_\_\_\_  
Village Clerk

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

### Exhibit List

<b>Exhibit</b>	<b>Description</b>
A	Purchase and Sale Agreement and all amendments
B	Class 8 Resolution
C	Assessor Letter-Class 8 Approval
D	List of TIF Eligible Expenses
E	Sample TIF Note
F	Developer's Pro Forma
G	Building Demolition Agreement
H	Memorandum of Agreement

# EXHIBIT A

## REAL ESTATE PURCHASE AND SALE AGREEMENT

**THIS REAL ESTATE PURCHASE AND SALE AGREEMENT** (“Agreement”) is made this 14<sup>th</sup> day of May, 2019, by and between HCF Homewood, LLC, or its assignee (“Purchaser”), and the Village of Homewood (“Seller”). The date that the last party signs the Agreement and delivers a copy to the other party shall be the date filled in above and shall be referred to herein as the “Effective Date.”

### WITNESSETH:

**THAT FOR** and in consideration of the mutual covenants, agreements and undertakings herein set forth, and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Seller agrees to sell and convey to Purchaser and Purchaser agrees to purchase from Seller the real property described in Paragraph 1 below on the terms and conditions hereinafter set forth:

1. Agreement of Purchase and Sale.

Subject to the terms and conditions contained in this Agreement, Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller the following:

1.1. The real property legally described in **Exhibit A** attached hereto and as shown on **Exhibit B** attached hereto, consisting of approximately 0.516 acres of land (collectively the “Land”) located at 18042-18048 Martin Avenue and 2033-2045 Ridge Road, Homewood, Illinois, 60430.

1.2 All improvements located on the Land, including, without limitation, landscaping, parking lot, and other improvements (hereinafter collectively referred to as the “Improvements”).

1.3 All mineral, water, irrigation and other property rights of Seller, if any, running with or otherwise pertaining to such Land.

1.4 All of Seller’s right, title and interest in and to any and all easements, covenants, declarations, reciprocal easement agreements, tenements, hereditaments, gaps, gores and appurtenances to the Land.

The property interests described in Sections 1.1 through 1.4 hereof are hereinafter referred to as the “Property.”

2. Purchase Price.

2.1 The Purchase Price for the Property (the “Purchase Price”) shall be One Dollar (\$1.00).

## EXHIBIT A

2.2 The Purchase Price shall be payable by delivery by Purchaser to Seller at Closing of good federal funds by check or wire transfer in an amount equal to the Purchase Price, subject to adjustment as provided herein and as set forth in the settlement statement.

### 3. Seller's Deliveries.

On or prior to the Effective Date, Seller shall deliver to Purchaser copies of all the items listed on Exhibit C attached hereto (the "Due Diligence Materials") to the extent in Seller's possession. If Seller obtains new or updated information or documentation regarding the Property prior to Closing, Seller shall immediately notify Purchaser of such fact and will promptly deliver all such supplemental information and documentation to Purchaser. Seller is not aware of any inaccuracies or incomplete documents in the Due Diligence Materials and Seller hereby warrants that the copies delivered are true, correct and complete copies of the documents.

### 4. Contingency for Inspection, Approvals and Third Party End Users.

#### 4.1. Inspection Period.

(a) During the period commencing on the Effective Date and ending at 6:00 p.m. (CST) on the day which is one hundred twenty (120) days thereafter (the "Inspection Period"), Purchaser shall have the right, at Purchaser's sole cost and expense, to: (i) review the Due Diligence Materials, (ii) fully inspect and test the Property, including, but not limited to, for engineering, environmental, zoning, appraisals, to obtain a new survey or update an existing survey, to perform marketing and cost studies and for any other purposes related to Purchaser's determination of the feasibility of the Property, (iii) obtain any necessary zoning approvals, special use permits, conditional use approvals, variances, administrative approvals, subdivisions, consolidations, annexation agreements, parking agreements, easements, vacations, permits, plat of subdivisions, and similar approvals or documents with the applicable municipality, county, any other governmental authority or any entity or agency, and (iv) obtain leases, agreements or contracts from any purchasers or third party end users, all for Purchaser's intended use of the Property as rental apartments, hotel rooms, commercial space or otherwise. Seller shall cooperate with Purchaser's efforts to obtain any approvals and shall diligently sign any zoning applications, permit applications, ownership authorization and provide any documentation or information required by the applicable governmental authority or agency as part of Purchaser's process to obtain its approvals.

(b) Purchaser shall give Seller reasonable advance notice of the dates and times of its inspections of the Property. Seller or its representative and Purchaser, its representatives, agents, and independent contractors shall have the right to be present at any such inspections. If Purchaser is satisfied with the Property, including, but not limited to, its review and inspections, in Purchaser's sole and absolute discretion, Purchaser shall provide written notice to Seller that it is proceeding with the Agreement prior to the expiration of the Inspection Period. In the event Purchaser fails to deliver such notice of election to proceed with the Agreement prior to expiration of the Inspection Period, Purchaser shall be deemed to have elected to terminate the Agreement, the Agreement shall

## EXHIBIT A

terminate and neither party shall have any further liability under this Agreement except for those obligations which expressly survive the termination of this Agreement.

(c) Purchaser and Seller hereby acknowledge that the inspections, investigations, survey and environmental inspections made by Purchaser and Purchaser's agents prior to Closing are for the benefit and at the instance of Purchaser. Purchaser expressly acknowledges that nothing in this Agreement authorizes Purchaser, or any person dealing with, through or under Purchaser to subject Seller's interest in the Property to mechanic's or materialmen's liens prior to Closing. Purchaser shall indemnify, hold harmless and defend Seller from any claim, liability, loss, damage, cost or expense (including reasonable attorney's fees, but expressly excluding any punitive, speculative or consequential damages) which Seller incurs solely due to the entry on the Property by Purchaser, its employees, agents or independent contractors prior to Closing, or damage to or liens placed on the Property caused by Purchaser, its agents, employees, or independent contractors by reason of any such entry. Purchaser's indemnification obligations hereunder shall not extend or apply to and in no event shall Purchaser be liable to Seller for: (i) any release of pre-existing hazardous substances arising from the conduct of any investigation or testing of the Property or for any diminution in the market value of the Property resulting from the information disclosed by any such investigation or tests, (ii) for any negligence or misconduct of Seller or any agent, contractor, or employee of Seller, or (iii) any pre-existing conditions on or about the Property. Purchaser's obligations hereunder shall survive any termination of this Agreement. Prior to Purchaser or its agents or contractors entering the Property, Purchaser shall obtain commercial general liability insurance in the amount of not less than \$1,000,000.00 naming the Village of Homewood as an additional insured on an ISO CG 20 10 form endorsement from an Illinois licensed insurance company. Purchaser shall maintain this coverage from the Effective Date through the Closing Date.

(d) Notwithstanding the expiration of the Inspection Period, Purchaser shall have access to the Property through the Closing Date for inspections, obtaining any reports, surveys, appraisals, and engineering and environmental tests and reports.

### 5. Commitment for Title Insurance/Title and Survey Matters.

5.1 Within ten (10) days after the Effective Date, Seller, at its sole cost and expense, shall cause Fidelity National Title Insurance Company, through Wheatland Title Company, 105 West Veterans Parkway, Yorkville IL 60560, ("Title Company" and "Escrow Agent") to deliver to Purchaser a commitment for an ALTA owner's policy of title insurance (the "Commitment"), showing Seller as fee title owner, naming Purchaser as the insured in the amount of the Purchase Price (or minimum amount required), issued by the Title Company, insuring the Property, together with legible copies of all recorded title documents referred to in the Commitment ("Title Documents"). The Commitment shall be subject to only the: (i) "Permitted Exceptions" (defined in Section 5.2 below), (ii) any mortgages and similar liens of a definite or ascertainable amount which must be paid by Seller out of the closing proceeds ("Monetary Encumbrances") and (iii) any matters not objected to by Purchaser. If Seller has an existing survey, and Purchaser decides to use Seller's existing survey, and Seller's existing survey is approved by



## EXHIBIT A

Purchaser's lender, if any, and the Title Company, subject to execution of a survey affidavit allowing it to issue extended coverage on the Purchaser's owner's title policy, then Seller shall sign a customary survey affidavit at Closing in a form reasonably approved by all parties.

5.2 The term "Permitted Exceptions" shall mean: (i) all non-delinquent taxes and assessments not yet due and payable at the time of Closing, and (ii) any other title matters not objected to, waived or deemed waived by Purchaser.

5.3 If Purchaser objects to the Commitment and/or any survey, Purchaser shall give written notice to Seller prior to the expiration of the Inspection Period, specifying Purchaser's objections to such title exceptions and/or survey matters (the "Unpermitted Exceptions"). Seller shall at its option have five (5) days from the receipt of such notice to notify Purchaser in writing of any Unpermitted Exceptions that Seller shall cure, insure over or have removed from the Commitment prior to Closing. If Seller notifies Purchaser within such five (5) day period, or fails to notify Purchaser, that it is unable or unwilling to have the Unpermitted Exceptions removed prior to Closing, Purchaser shall, as Purchaser's sole remedy, have the option either to (i) terminate this Agreement, whereupon neither party shall have any further liability or obligation to the other, except as expressly provided herein; or (ii) proceed with the Closing and accept title to the Property as reflected in the Commitment and survey, whereupon such exceptions shall be deemed Permitted Exceptions, other than Monetary Encumbrances which shall be paid by Seller out of Closing proceeds. Purchaser shall exercise such option by delivery of written notice of such exercise to Seller within five (5) days after the earlier of: (a) the expiration of Seller's notice period for responding to Purchaser's title and survey objections, or (b) the date Seller gives Purchaser notice of its unwillingness or inability to remove any or all the Unpermitted Exceptions. If any title exceptions or survey matters are disclosed or modified by updates of the Commitment and/or the survey or other title "date-downs" that affect the marketability or insurability of the title to the Property or that adversely affect the use of the Property for its intended purposes or are objectionable to Purchaser, then Purchaser may after the discovery thereof notify Seller in writing, in which event Seller shall promptly employ its good faith best efforts to procure a cure for same, as required above, and upon the failure of Seller to effectuate a cure or Seller's failure to respond to Purchaser in writing, then Purchaser may elect any of the options set forth in subclauses (i) and (ii) above. If Purchaser fails to notify Seller of Purchaser's election within the five day period required for Purchaser's notification of its election, then Purchaser shall be deemed to have elected option (ii).

### 6. Closing, Possession and Conditions Precedent to Closing.

6.1 Closing. The closing (the "Closing") of the transaction contemplated hereby shall take place no later than 365 days after the date a redevelopment agreement is executed between the Village of Homewood and HCF Homewood, LLC; provided, however, if such date has not occurred prior to twelve (12) months after the Effective Date, then either Purchaser or Seller may terminate the Agreement at any time after that date by written notice to the other party, in which event neither party shall have any further liability under this Agreement except for those obligations which expressly survive the termination of this Agreement. The date upon which the Closing actually occurs shall be referred to herein as the "Closing Date". Seller shall give sole and exclusive possession of the Property to Purchaser at Closing, subject only to the Permitted

## EXHIBIT A

Exceptions. The Closing shall take place at the Chicago office of the Title Company (which shall allow delivery of documents into escrow) by means of a "New York Style Closing" with the parties mailing in their closing documents, the Title Company's concurrently delivering the closing documents, committing to delivery of the Title Policy described in Section 6.4(b) below to Purchaser, and the concurrent payment of the Purchase Price, all with no parties required to be present.

6.2 At Closing, Seller shall deliver to the Escrow Agent, with copies to Purchaser, the following:

(a) A duly executed and acknowledged Special Warranty Deed (the "Deed") conveying to Purchaser the fee simple interest in the Property, subject only to the Permitted Exceptions.

(b) A duly executed affidavit of Seller, stating Seller's United States taxpayer identification number and that Seller is not a foreign person as defined in Internal Revenue Code Section 1445.

(c) A MyDec transfer tax declaration in form customary for the State, County City of the Property ("Transfer Tax Declaration") and any municipal transfer tax declarations. The parties acknowledge that the contemplated transfer is exempt from State and County Revenue Stamp taxes.

(d) An Ordinance from Seller approving and authorizing it to sell the Property and granting authority to a specific person to bind the Seller.

(e) A settlement statement agreed to between Seller and Purchaser ("Settlement Statement"), signed by Seller, setting forth the Purchase Price, credits, proration, and disbursements in accordance with the terms of this Agreement.

(f) An owner's affidavit.

(g) Documents requested by the Title Company for obligations required of Seller under this Agreement or to provide extended coverage, including, without limitation, Owner's Affidavit, Survey Affidavit of no change, if required by the Title Company to provide extended coverage, Gap Indemnity, formation documents and any other reasonable documentation.

(h) Copies of all statutory notices and publications required by Illinois statute.

6.3 At Closing, Purchaser shall deliver to the Escrow Agent the following:

(a) The balance of the Purchase Price, subject to adjustment as set forth on the Settlement Statement, by wire transfer of federal funds.

(b) The Settlement Statement signed by Purchaser, setting forth the Purchase Price, credits, proration, and disbursements in accordance with the terms of this Agreement.

## EXHIBIT A

(c) A counterpart of the Transfer Tax Declaration and any applicable municipal transfer tax declarations.

(d) Any other document reasonably requested by the Title Company to close the transaction.

6.4 Conditions to Obligations to Close. The obligations of Purchaser to consummate the transactions contemplated herein shall be subject to the fulfillment of the following conditions ("Purchaser's Conditions"), any of which may be waived in writing by Purchaser in its sole and absolute discretion:

(a) At Closing, Seller will cause the Title Company to issue (or commit irrevocably and unconditionally to issue) to Purchaser an owner's policy of title insurance in accordance with the requirements of the Commitment subject only to the Permitted Exceptions (the "Title Policy").

(b) The representations and warranties of Seller in this Agreement shall be true and correct on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, and Seller will so certify.

(c) Seller shall have performed all of the agreements, covenants and obligations made and contained in this Agreement to be performed or complied with by Seller on or prior to the Closing Date.

(d) Delivery of sole and exclusive possession of the Property to Purchaser subject only to the Permitted Exceptions.

### 7. Prorations; Closing Adjustments.

7.1 All real estate taxes and assessments, due and owing or delinquent prior to Closing, whether or not they have become liens, shall be the responsibility of Seller and paid by Seller before the due date and at or prior to Closing. This obligation shall survive Closing. All real estate taxes not yet due and owing at the time of Closing shall be prorated on the Closing Date based on the most recent ascertainable tax bill, and Seller shall be responsible to credit Purchaser for all such real estate taxes through and including the day of Closing. All tax prorations shall be final as of Closing.

7.2 In the event any special assessments, water or sewer assessment, code violations, fines or other assessments have been levied against the Property for any period on or prior to the Closing Date, Seller shall pay the same at or prior to Closing. These obligations shall survive Closing. All water, sewer, and other utility charges currently due shall be adjusted as of the Closing Date. Any of these payments due and owing as of the Closing Date shall be credited to Purchaser from Seller at Closing and any prepaid amounts shall be credited to Seller from Purchaser.

## EXHIBIT A

7.3 Seller shall pay: (i) the cost of the Title Commitment, (ii) the costs for the standard coverage portion of the Purchaser's owner's Title Policy premium, (iii) all State, County and municipal transfer taxes, (iv) half of all escrow and closing costs, and (v) all costs for any endorsements to cure, remove or insure over any title exceptions agreed to be cured by Seller. Purchaser shall pay: (i) the cost of the extended coverage portion of the Title Policy premium and all endorsements to the Title Policy requested by Purchaser, (ii) half of all escrow costs, and (iii) the cost to record the deed. The parties shall pay their respective attorney's fees. Any other costs and charges in connection with the Closing shall be paid by Seller or Purchaser, respectively, as is customary in the area in which the Property is located.

7.4 All CAM and other charges due under any REA, Declaration or other agreements shall be prorated on the Closing Date with Seller being responsible for any costs prior to Closing and Purchaser being responsible for any costs on and after Closing. Any of these payments due and owing as of the Closing Date shall be credited to Purchaser from Seller at Closing and any prepaid amounts shall be credited to Seller from Purchaser. These obligations shall survive Closing.

### 8. Representations, Warranties, Covenants and Agreements of Seller and Purchaser.

8.1 Seller hereby represents, covenants and warrants to Purchaser and agrees, as of the date of this Agreement and, without further writing as of the Closing Date, as follows:

(a) Seller holds fee title to the Property subject only to those rights-of-way, easements, conditions, covenants and restrictions of record. There are no persons in possession or occupancy of the Property or any part thereof, nor are there any persons who have possessory rights with respect to the Property or any part thereof through written agreement, orally or by operation of law.

(b) All required payments of Seller have been made and there is no default by Seller, nor has Seller received any written notice of default from any property owner, tenant or other party under any reciprocal easement agreements or declarations or similar documents, nor are there any state of facts with the giving of notice or the passage of time which may constitute a default by Seller or, to Seller's knowledge, by any property owner or tenant under any reciprocal easement agreements or declarations or similar documents.

(c) There is no lawsuit or similar proceeding filed, or to the best of Seller's knowledge, threatened to be filed, against Seller with respect to the Property before any court, tribunal, mediator, arbitrator, governmental or administrative agency. Seller has not received any notices and is not aware of any pending or threatened: (a) condemnation, eminent domain or similar proceeding against the Property, (b) special assessments against the Property, or any real estate tax protest, or similar proceeding; or (c) any public plans or proposals for changes in road grade, access or other municipal improvements or for any adjacent developments that may affect the Property. There are no bankruptcy, assignment for the benefit of creditor or insolvency proceedings filed against or by Seller wherein Seller is identified as the debtor.

## EXHIBIT A

(d) Seller has taken all required measures to approve the sale and has all requisite power and authority to enter into and carry out Seller's obligations under this Agreement and to sell the Property. The execution of this Agreement has been duly authorized by all requisite actions and this Agreement is enforceable against Seller in accordance with its terms.

(e) The Property has utilities necessary for the operation of the Property and no fact or condition exists that would result in the termination of access to and from the Property or the cessation of utilities necessary for the operation of the Property.

(f) Seller shall not, without the prior written consent of Purchaser, enter into, amend, extend or grant any concessions with respect to any lease, reciprocal easement agreement, declaration or any other documents affecting the property, or accept any prepayment of rent thereunder for more than one month in advance. Seller shall promptly deliver to Purchaser a copy of any notice (including without limitation, a notice of default) received from any property owners under any easement agreements, declarations or from any governmental authority or from any tenant or adjacent property owners. Seller shall not intentionally do anything, or permit anything to be done, that would impair or modify the status of title as shown on the Commitment or the survey.

(g) Seller is not a foreign person or entity pursuant to the Foreign Investment and Real Estate Property Tax Act or the Tax Reform Act of 1984.

(h) As of the Closing Date, the Property will be free and clear of any encumbrances or liens of an ascertainable amount which can be removed by the payment of a liquidated amount of money, except for the Permitted Exceptions, and such encumbrances and liens as will be paid by Seller at Closing.

(i) From the Effective Date until Closing, Seller shall continue to manage and operate the Property in a reasonable manner consistent with other similar commercial properties in Homewood, Illinois, including, but not limited to, performing all maintenance and snow removal, paying all operating expenses, real estate taxes, insurance and utilities prior to their due date, keeping the Property free of liens and code violations, and maintaining property and liability insurance in commercially reasonable amounts.

(j) Except as may be set forth in the Due Diligence Materials, the Property is in compliance with all environmental laws relating to "hazardous materials or toxic materials or substances" (as those terms are defined under all applicable environmental laws, rules, regulations and ordinances in Illinois (hereinafter referred to as "Environmental Laws")) and Seller has not received any notice from any person, property owner, or governmental agency that the Property is in violation or may be in violation of any applicable Environmental Laws or of any release or suspected release of hazardous materials on the Property or adjacent properties. There are no underground storage tanks located at the Property. The Property is not being used, and to the best of Seller's knowledge, has never been used, for the storage or disposal of any hazardous materials or toxic waste or as a dump site, the Property is not currently subject to any grading, slope or drainage

## EXHIBIT A

restrictions which would obligate or require any owner of the Property to accept, supply, deliver or collect drainage water, surface water or irrigation water to or from any real property located within the reasonable vicinity of the Property and there are no unrecorded share expense agreements, repayment agreements, reimbursement agreements, tax increment financing or development agreements that affect all or any portion of the Property and that could require Purchaser to pay any money in full or partial satisfaction of any such agreements.

(k) Seller owns no personal property located on the Property or to the extent it does will remove it by Closing.

(l) Seller is not a party to any management, service or other contracts or agreements that will be binding on Purchaser or the Property after Closing.

(m) Seller will (1) continue to operate the Property as heretofore operated; (2) maintain the Property in its current condition and perform routine and required maintenance and replacements; (3) pay prior to Closing all sums due for work, materials or services furnished or otherwise incurred in the ownership, use or operation of the Property; (4) comply with all governmental requirements applicable to the Property; (5) not place or permit to be placed on any portion of the Property any new improvements of any kind or remove or permit any improvements to be removed from the Property; and (6) not cause or create any easements, encumbrances, or liens to arise or to be imposed upon the Property or to allow any amendment or modification to any existing easements or encumbrances.

(n) To Seller's knowledge, the Due Diligence Materials are true, correct and complete in all material respects. Seller has delivered to Purchaser all Due Diligence Materials its possession or control.

(o) There are no rights of first refusal or options to purchase the Property (or any part thereof) contained in any agreement affecting the Property (or any part thereof).

8.2 Seller shall indemnify and hold Purchaser harmless from and against any costs, fees, charges, penalties or liabilities of any kind resulting from any "bulk sales" taxes, fees or charges assessed by any applicable governmental authority or agency related solely to the time period of Seller's ownership of the Property. This indemnification shall survive the Closing.

8.3 Purchaser hereby represents and warrants to Seller, as of the date of this Agreement and without further writing as of the Closing that Purchaser is fully authorized and permitted to enter into this Agreement, to execute any and all documentation required herein, and to perform the terms of this Agreement, none of which conflicts with any provision of any law, rule or regulation applicable to Purchaser. This Agreement is a valid and binding obligation of Purchaser in accordance with its terms.

8.4 All representations and warranties of Seller or Purchaser set forth in this Agreement shall survive the Closing for a period of twelve (12) months.

## EXHIBIT A

### 9. Damage or Condemnation.

9.1 In the event of any eminent domain or condemnation action before or on the Closing Date Seller shall immediately notify Purchaser and Purchaser may elect, in its sole discretion, to (a) terminate this Agreement, in which event neither party shall have any further liability under this Agreement except for those obligations which expressly survive the termination of this Agreement, or (b) proceed to Closing, whereupon at Closing Seller shall transfer the Property less any portion of the Property taken by eminent domain or condemnation or conveyed in lieu of condemnation. In the event Purchaser elects to close hereunder, on the Closing Date, Seller shall assign to Purchaser, all of Seller's interest in any proceeds or awards that may thereafter be made for any taking or condemnation. The Purchase Price shall be reduced by the amount of any such proceeds or awards collected and retained by Seller prior to the Closing Date, provided, however, Seller shall not negotiate and agree to any settlement or payment without Purchaser's prior written approval, which shall not be unreasonably withheld or delayed.

9.2 In the event the Property suffers any damage or destruction prior to Closing, Purchaser may elect, at Purchaser's sole option, to: (a) proceed to Closing and take the Property subject to such damage or destruction and Seller shall assign any insurance proceeds to Purchaser (but only to the extent of Seller's rights in same) and Purchaser shall receive a credit at Closing in the amount of any deductible being carried under such insurance policy, or (b) terminate this Agreement in which event neither party shall have any further liability under this Agreement except for those obligations which expressly survive the termination of this Agreement.

10. Brokerage. Each party hereto represents and warrants to the other, as of the date of this Agreement and without further writing as of the Closing, that there are no real estate agents or brokers involved that are owed a commission or finder's fee in connection with this transaction. Each party agrees to indemnify, defend, and hold harmless the other party with respect to any claim made for any commission or finder's fee arising out of the warranting party's conduct. The provisions of this Section 10 shall survive the Closing.

### 11. Default.

11.1 If this transaction does not close due to a default on the part of Purchaser or Purchaser is otherwise in default of its obligations under this Agreement, then Seller shall have the right, as its sole and exclusive remedy, to terminate this Agreement by written notice to Purchaser and upon such termination this Agreement shall be of no further force and effect and neither party shall have any further rights, duties, or obligations hereunder except with respect to the provisions hereof which expressly survive the termination of this Agreement. In no event shall Purchaser be liable to Seller for any punitive, speculative, incidental, consequential or damages for loss of opportunity or lost profit, in the event of Purchaser's default hereunder.

11.2 If this transaction is not closed due to a default of Seller or Seller is otherwise in default of its obligations under this Agreement, then Purchaser shall have the option of (i) terminating this Agreement by written notice to Seller, and neither party shall have any further liability under this Agreement, except for those obligations which expressly survive the

## EXHIBIT A

termination of this Agreement, or (ii) enforcing this Agreement by specific performance, or (iii) Purchaser shall have all rights and remedies at law and in equity in the event of any intentional default by Seller that renders specific performance unavailable.

11.3 Prior to exercising any remedy under this Agreement, the non-defaulting party shall provide notice to the defaulting party and the defaulting party shall have three (3) days to cure such default.

12. Notices. All notices permitted or required pursuant to this Agreement may be made by a party or the party's attorney to the other party or the other party's attorney and shall be in writing and shall be served by one of the following methods: (a) hand delivery, or (b) deposit thereof with Federal Express or other nationally recognized overnight delivery service for next day delivery, or (c) by facsimile transmission, or (d) by email transmission. All notices shall be addressed to the parties to whom such notices are intended as set forth below:

If to Seller: Village of Homewood  
2020 Chestnut Road  
Homewood, IL 60430  
Attention: Village Manager  
Email: jmarino@homewoodil.gov

with a copy to: Christopher J. Cummings  
Village Attorney  
2024 Hickory Road, #205  
Homewood, IL 60430  
Email: chris@cjcummingslaw.com

If to Purchaser: HCF Homewood, LLC  
Robert Hansen, Manager  
11001 W. 123rd Street  
Palos Park, IL 60464  
Email: emailroberthansen@gmail.com

with copy to: David B. Sosin  
Sosin, Arnold & Schoenbeck, Ltd.  
Suite 205  
9501 W. 144<sup>th</sup> Place  
Orland Park, IL 60462  
Email: dsosin@sosinarnold.com

Either party may change its address by giving notice to the other in accordance with this Section 12. Notice sent by an attorney on behalf of its client shall be deemed proper notice from the applicable party. Notice personally delivered shall be effective on the date of delivery. Notices sent by a nationally recognized overnight courier shall be effective on the date of delivery as indicated by the carrier's on-line record. Notice sent by facsimile shall be effective on the date of



## EXHIBIT A

delivery during the hours of 8am to 6pm CST, Monday through Friday, with proof of successful transmission which shall be retained by the sender. Notice sent by email shall be effective on the date of delivery during the hours of 8am to 6pm CST, Monday through Friday.

### 13. Miscellaneous.

13.1 Section Headings. The Section headings of this Agreement are for convenience only and in no way limit or enlarge the scope or meaning of the language thereof.

13.2 Entire Agreement. All previous negotiations and agreements between the parties hereto, with respect to the transaction set forth herein, are merged in this instrument which alone fully and completely expresses the parties' rights and obligations. This Agreement is the entire agreement between the parties hereto with respect to the Property and supersedes any and all other prior agreements and understandings, whether written or oral, formal or informal.

13.3 Governing Law. This Agreement shall be governed by the internal laws of the State of Illinois without reference to its conflict of law provisions.

13.4 Invalidity of Terms. If any term or provision of this Agreement is held illegal, invalid or unenforceable as a matter of law, the remaining terms and provisions of this Agreement shall not be affected thereby, but each such term and provision shall be valid and shall remain in full force and effect.

13.5 Time/Dates. Time is of the essence of this Agreement. If any date set forth in this Agreement for the delivery of any document or the happening of any event should, under the terms hereof, fall on a weekend or holiday, then such date shall be automatically extended to the next succeeding weekday that is not a holiday.

13.6 Dispute/Attorney's Fees. In the event of a dispute between the parties hereto with respect to the enforcement of either party's obligations contained herein, the prevailing party shall be entitled to reimbursement of its reasonable attorney's fees, court costs, and expenses incurred in connection therewith. This Section 13.6 shall survive the early termination or closing of this transaction.

13.7 Amendment. This Agreement may be amended, modified or terminated only by a written instrument executed by Seller and Purchaser.

13.8 Termination at Closing. Except as expressly provided for herein, the provisions of this Agreement shall terminate with the Closing and shall be of no further force or effect.

13.9 Waiver of Rights. No right under this Agreement may be waived, except by written instrument executed by the party who is waiving such right. No waiver of any breach of any provision contained in this Agreement shall be deemed a waiver of any preceding or succeeding breach of that provision or of any other provision contained in this Agreement. No

## EXHIBIT A

extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

13.10 Assignment. Purchaser may assign this Agreement to any assignee or single purpose entity; provided that: (i) such assignee shall expressly assume all of Purchaser's obligations hereunder; and (ii) Purchaser shall provide Seller with written notice of such assignment.

13.11 1031 Exchange. At either party's option and at no loss, cost, liability, or expense to the other party, both parties agree to cooperate with one another in closing this transaction as a like-kind exchange under Section 1031 of the Internal Revenue Code, provided that (a) no party making such accommodation shall be required to acquire any substitute property, (b) such exchange shall not affect the representations, warranties, liabilities and obligations of the parties to each other under this Agreement, (c) no party making such accommodation shall incur any additional cost, expense or liability in connection with such exchange (other than expenses of reviewing and executing documents required in connection with such exchange), and (d) no dates in this Agreement will be extended as a result thereof. Each party's right, title and interest under this Agreement, but not its obligations, shall be assignable to a "Qualified Intermediary" of its choice. For purposes of this Agreement, the term "Qualified Intermediary" shall have the same meaning as that found in Section 1.103(k)-(g)(4)(iii), Income Tax Regulations.

13.12 Binding Agreement. Purchaser and Seller hereby acknowledge and agree that they intend this Agreement to be a binding and enforceable agreement, subject to the terms and conditions set forth herein, and each party hereby waives any right to hereafter challenge the enforceability of this Agreement on the basis that the inspection and due diligence contingencies set forth in this Agreement are not sufficient consideration to make this Agreement a valid and binding contract. Purchaser agrees to use its good faith efforts to perform its due diligence activities with respect to the Property. Seller acknowledges and agrees that Purchaser's due diligence efforts will require Purchaser to expend significant time and money, and that the expenditure of such time and money by Purchaser constitutes good and sufficient consideration to Seller for Seller granting Purchaser the time set forth in this Agreement to investigate and resolve all of its contingencies and agreeing to be bound by this Agreement.

13.13. Counterpart Signatures. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same Agreement. Any counterparts of this Agreement and any subsequent amendments may be executed and delivered by any party by email transmission in portable document format "(PDF") and any document so executed and delivered shall be considered an original for all purposes

### 14. Confidentiality.

14.1 Either party (the "Providing Party") may provide the other party (the "Receiving Party") with confidential or proprietary information, including intended future use site plans and identification of proposed future users, whether disclosed orally, in writing or upon inspection of documents or other tangible property (such information, together with any documents

## EXHIBIT A

or records prepared by the Providing Party or Receiving Party or any of its affiliates, which contain or otherwise reflect or are generated from such information, the "Confidential Information"). The term "Confidential Information" shall not include information that (i) is or becomes generally available to the public other than as a result of a disclosure by the Receiving Party; (ii) is specifically permitted in writing by the Providing Party, prior to any disclosure by the Receiving Party, to be so disclosed; or (iii) is disclosed in compliance with the requirements of any applicable law, subpoena or administrative, regulatory or judicial process (provided that, to the extent reasonably feasible under the circumstances, prior written notice of such disclosure is furnished to the other party Providing Party in order to afford the Providing Party an opportunity to seek a protective order).

14.2 The Receiving Party's review and inspection of the Confidential Information shall be undertaken solely for purposes of evaluating the transaction contemplated herein. The Receiving Party shall use the Confidential Information solely for such purpose. Except as specifically provided herein, the Receiving Party shall not disclose, and shall use reasonable efforts to prevent any other person or entity from disclosing, any Confidential Information to any other party without the Providing Party's prior written consent; provided, however, that the Receiving Party may share Confidential Information with its advisors, consultants, attorneys, investors, accountants and lenders in connection with evaluating and financing the transaction contemplated herein.

14.3 In the event the Closing does not occur, the Receiving Party shall promptly deliver to the Providing Party or destroy all documents furnished by the Providing Party constituting Confidential Information.

14.4 Notwithstanding the foregoing, the parties acknowledge that Seller is a public body subject to the Illinois Freedom of Information Act (FOIA). If the Seller receives a FOIA request, Seller shall have the sole authority to determine what records concerning this transaction, if any, are responsive to the FOIA request and shall be tendered to the requestor. If Purchaser provides Seller with information, documents, or data it believes to be proprietary, privileged, or confidential as defined by Section 7, paragraph (1)(g) of the FOIA (5 ILCS 140/7(1)(g)), it shall identify them as such when tendered to the Seller.

15. Exclusivity. Seller acknowledges that Purchaser will expend substantial time, effort and resources to consummate the transaction contemplated by this Agreement. In consideration of such effort, unless this Agreement is terminated, during the period from the Effective Date until the Closing Date (the "Exclusivity Period"), Seller shall not (and shall cause its affiliated and associated entities, as well as its and its affiliated and associated companies' principals, officers, directors, managers, members, employees, agents, brokers and representatives and any other person acting for it or them, not to) enter into any agreement or discussion with any other party with respect to, or solicit or entertain proposals for or concerning the sale or lease of any part of the Property or any other transactions or negotiations that would prohibit or adversely affect the sale of the Property to Purchaser or any other aspect of the transaction contemplated hereby.

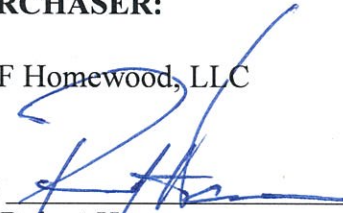
(Signatures on next page)

**EXHIBIT A**

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement to be effective as of the date of mutual execution and delivery.

**PURCHASER:**

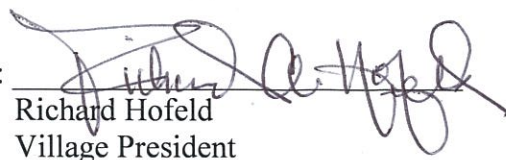
HCF Homewood, LLC

By:   
Robert Hansen  
A Manager

Dated: May 16th, 2019

**SELLER:**

Village of Homewood

By:   
Richard Hofeld  
Village President

Dated: May 14, 2019

## EXHIBIT A

### EXHIBIT A Legal Description of Property

Lots Nine (9), Ten (10), Eleven (11) and Twelve (12) in Block "A" in the Village of Hartford (Now the Village of Homewood), being a Subdivision in the Northeast Quarter (1/4) of the Southwest Quarter (1/4) of Section 31, Township 36 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel Identification Nos. 29-31-310-008-0000, 29-31-310-009-0000, 29-31-310-010-0000, and 29-31-310-011-0000

**EXHIBIT A**

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**EXHIBIT B**  
**Diagram of Property**

## EXHIBIT A

### EXHIBIT C

#### **Due Diligence Materials**

1. A copy of any leases for the Property and all schedules, exhibits, riders, amendments, guaranties and memorandums of lease related thereto.
2. A copy of all vendor, property management and third party agreements or contracts for the Property, including any maintenance agreements.
3. A copy of any and all environmental reports from Seller or its predecessor, in Seller's possession, including, but not limited to, any existing phase I environmental site assessments reports, Phase II reports, asbestos reports, asbestos correspondence, and any other environmental reports, and correspondence with any governmental agencies relating to the Property.
4. Copies of any surveys of the Property.
5. Copies of any soils reports or geotechnical reports, and engineering studies, if any.
6. Copy of Seller's owner's title policy and any current title commitments for the Property and all recorded title documents referenced therein.
7. Copies of any plats or proposed plats related to the subdivision or consolidation of the Property and surrounding parcels.
8. Copies of the current real estate tax bills for the Property.
9. Copies of any declarations, reciprocal easement agreements, development agreements, easement agreements, use restrictions, deed restrictions, rights of first refusal, property owner's association documents, property owner's rules and regulations, bylaws and articles of organization.

# EXHIBIT A

## FIRST AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT

**THIS FIRST AMENDMENT** to Real Estate Purchase and Sale Agreement (“**Amendment**”) is entered into by and between HCF Homewood, LLC, or its assignee (“**Purchaser**”), and the Village of Homewood (“**Seller**”). The date that the last party signs the Amendment and delivers a copy to the other party shall be referred to herein as the “**Effective Date**.”

### RECITALS

**WHEREAS**, Seller and Purchaser are parties to that certain Real Estate Purchase and Sale Agreement dated May 16, 2019 (the “**Agreement**”), which provides for the purchase and sale of certain real estate located at 18042-18048 Martin Avenue and 2033-2045 Ridge Road in the Village of Homewood, Cook County, Illinois for the Purchase Price and upon the terms and conditions set forth therein; and

**WHEREAS**, the Seller and Purchaser wish to amend paragraph 4.1 (a), Inspection Period, of the Agreement; and

**WHEREAS**, Seller and Purchaser wish to extend the Inspection Period in accordance with this Amendment.

**NOW, THEREFORE**, in consideration of the above recitals and the covenants and agreements set forth herein, Seller and Purchaser agree as follows:

1. Defined Terms. Any capitalized terms which are used in this Amendment without definition and that are defined in the Agreement shall have the same meanings herein as in the Agreement.
2. Extension of Inspection Period. The Inspection Period as set forth in paragraph 4.1 (a) of the Agreement shall be extended an additional 120 days to and including January 9, 2020. All other dates in the Agreement shall be extended accordingly.
3. Ratification. Except as the extension of dates set forth in this Amendment, all of the remaining terms, covenants, and conditions of the Agreement and all the rights and obligations of Seller and Purchaser therein shall remain in full force and effect, and are not otherwise altered, amended, revised, or changed.
4. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original instrument, but all such counterparts together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to a single copy of this document to physically form one document. In addition, facsimile or electronic counterparts of this Amendment shall be deemed for all purposes as an original.

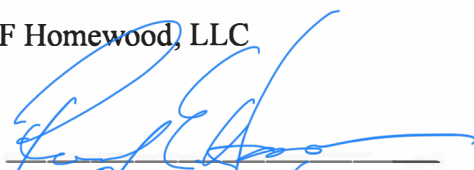


# EXHIBIT A

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment on the date(s) set forth below, the later of which shall be the effective date of this Amendment.

**PURCHASER:**

HCF Homewood, LLC

By:   
Name: Robert E. Hansen  
Its: MANAGER

Dated: 9/12, 2019

**SELLER:**

Village of Homewood

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

Dated: SEPT. 10, 2019

# EXHIBIT A

## SECOND AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT

This Second Amendment to Purchase and Sale Agreement (“Second Amendment to PSA”) is made and entered into effective as of the \_\_\_ day of April, 2020 (the “Second Amendment Effective Date”) for the purposes set forth herein.

Reference is made to a Real Estate Purchase and Sale Agreement (“PSA”) dated May 14, 2019 by and between HCF Homewood, LLC, or its assignee (“Purchaser”) and the Village of Homewood (“Seller”) relative to the purchase and sale of certain real property legally described therein and defined as the “Land”, located at 18042-18048 Martin Avenue and 2033-2045 Ridge Road, Homewood, Illinois; which PSA was amended by First Amendment to Real Estate Purchase and Sale Agreement (“First Amendment to PSA”) dated effective September 12, 2019.

WHEREAS, the parties wish to make certain additional amendments to the PSA, as more fully set forth herein;

Now, therefore, for and in consideration of the mutual covenants and undertakings herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are herewith acknowledged, the parties hereto agree as follows:

1. Recitals. The recitals set forth above are incorporated herein by this reference to the same extent as if fully set forth in this Second Amendment to PSA.
2. Defined Terms. Capitalized terms used in this Second Amendment to PSA and not otherwise defined herein shall have the meaning ascribed in the PSA or in the First Amendment to PSA unless their context shall clearly indicate otherwise. In the event of any conflict between the terms and conditions set forth in this Second Amendment to PSA and the terms and conditions set forth in the PSA as amended by the First Amendment to PSA, the terms and conditions set forth in this Second Amendment to PSA shall control.
3. Extension of Inspection Period. The Inspection Period as set forth in paragraph 4.1(a) of the PSA is hereby extended to June 30, 2020. All other dates in the PSA are extended accordingly.
4. Modification of Property Description. The Land subject to the terms of the PSA is hereby modified as follows:
  - a. The Land to be conveyed by Seller and acquired by Purchaser at Closing shall include only that certain parcel described as Lot 1 in Ridge-Martin Subdivision as

## EXHIBIT A

depicted on a Subdivision Plat (“Subdivision Plat”) dated March 17, 2020 prepared by C. M. Lavoie & Associates, Inc., as Job No. 20-112, attached hereto as Exhibit A the “Revised Land”). The Revised Land consists of 20,700 sq. ft. (0.475 acres). The Revised Land shall enjoy the benefit of a temporary easement for construction activities over an area 150’ x 12’ along the southeast property line of the Revised Land as depicted on the Subdivision Plat, to facilitate construction and development of Purchaser’s intended project on the Revised Land.

- b. Provided Purchaser shall acquire the Revised Land as referred to in Section 4.a. of this Second Amendment to PSA, Purchaser shall have the right and option to acquire for one dollar (\$1.00) insured merchantable title to Parcel 2 as depicted on the Subdivision Plat, consisting of 7,500 sq. ft. (0.172 acres), subject only to the Permitted Exceptions described in the PSA or arising from acts done or suffered by or through Purchaser. Such option shall be exercised by Purchaser, if at all, not later than twenty-four months (24) months after the date of acquisition of the Revised Land by written notice to Seller given as provided in Section 12 of the PSA as amended hereby. Closing shall occur not later than thirty (30) days after the date of Purchaser’s exercise of the option to acquire Parcel 2, unless the parties hereto shall agree otherwise in writing. A memorandum describing Purchaser’s option to acquire Parcel 2 as provided herein shall be recorded against title to Parcel 2 on or before the date of closing on Purchaser’s acquisition of the Revised Land.

5. Notices. The Notice provisions set forth in Section 12 of the PSA is hereby modified to provide as follows:

- a. that *copies of notices* to Purchaser shall not be sent do David B. Sosin, but instead be sent to:

Robbins, Salomon & Patt, Ltd.  
180 N. LaSalle Street, Suite 3300  
Chicago, IL 60601  
Attn: R. Kymn Harp  
Email: [rkharp@rsplaw.com](mailto:rkharp@rsplaw.com)

- b. until the Gubernatorial Disaster Proclamation referred to in Section 7 of this Second Amendment to PSA shall expire or be rescinded or otherwise terminated, a copy of all notices must likewise be sent via email to the email addresses provided in Section 12 the PSA (as modified by Section 5.a. hereof).

6. Ratification. Except as to the extension of dates provided in this Second Amendment to PSA, all of the terms, covenants, and conditions of the PSA, as amended by the First

## EXHIBIT A

Amendment to PSA, and all rights and obligations of the Seller and Purchaser therein shall remain in full force and effect, and, subject to the application of Section 7 hereof, are not otherwise altered, amended, revised, or changed.

7. COVID-19 Savings Clause. On March 9, 2020, by reason of a growing and fast spreading pandemic of Coronavirus Disease 2019 (COVID-19), JB Pritzker, Governor of Illinois, by Executive Order, declared all counties of the State of Illinois as a disaster area (“Gubernatorial Disaster Proclamation”), and has since that time issued, and may hereafter issue, supplemental Executive Orders limiting the size of public gatherings, requiring social distancing, ordering mandatory closure of businesses deemed “non-essential”, and otherwise impacting commerce and social interaction. The parties hereto intend and agree that the rights and obligations of the parties to consummate the transaction contemplated by the PSA, as amended by the First Amendment to PSA and this Second Amendment to PSA (the “Amended PSA”), shall not be impaired or excused by delays in performance resulting from the COVID-19 pandemic and Executive Orders issued during the effective period of the Gubernatorial Disaster Proclamation. The parties agree, therefore, that the time for performance hereunder shall be tolled for the period during which the Gubernatorial Disaster Proclamation shall remain in effect; provided, however, that if the Purchaser shall elect to proceed with acquisition of the Revised Land during such period as the Gubernatorial Disaster Proclamation shall remain in effect, and the Seller shall not be prevented from proceeding for reasons related to or underlying the Gubernatorial Disaster Proclamation, the tolling of time periods by this provision shall not prevent consummation of the transaction described in the Amended PSA.
8. Headings. Headings set forth herein are for convenience of reference only and shall not affect the substantive meaning of any provision to which such heading may relate.
9. Counterparts; Execution. This Second Amendment to PSA may be executed in any number of counterparts, each of which shall be deemed an original, and all such counterparts taken collectively shall constitute the same instrument. Signature pages may be detached from counterparts and attached to a single copy of this document to physically form one document. In addition, facsimile, pdf copies, or electronic counterparts of this Second Amendment to PSA (and the PSA, and First Amendment to PSA) shall be deemed for all purposes to be an original.


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[SIGNATURE BLOCKS APPEAR ON THE FOLLOWING PAGE]

# EXHIBIT A

IN WITNESS WHEREOF, this Second Amendment to PSA is executed by the parties hereto has their respective free, voluntary and duly authorized acts, for the purposes set forth herein, effective as of the Second Amendment Effective Date first above written.

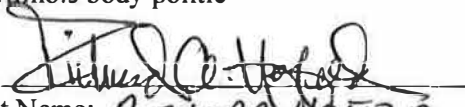
## PURCHASER:

HCF Homewood, LLC  
An Illinois limited liability company

By:   
Print Name: TIM FARNACIAN  
Title: MANAGING PARTNER

## SELLER:

Village of Homewood,  
An Illinois body politic

By:   
Print Name: RICHARD HOFELD  
Title: VILLAGE PRESIDENT

Attachment: Exhibit A: *Martin-Ridge Subdivision Plat* dated 3-17-2020

# EXHIBIT C

05/06/2004 17:05 FAX 312 201 2555

WILDMAN HARROLD

002/002

XXXXXX XX, 2004

XX. XXXXXX

XXXXXX

XXXXXXXXXX

XXXXXX

RE: PIN#s 1XXXXXXXXXXXXXXXXXXXX

Class 8 Control #

Dear XX XXXXXX:

This correspondence is provided in response to your written request for a preliminary review of the above referenced class 8 application. Please note that this preliminary review is not a final or binding determination as to whether the development will be designated as a class 8 property. Such a final determination can only be made once the development is finished and your client has filed a timely appeal with this office. If such an appeal establishes that the requirements for class 8, as provided by the Cook County Classification Ordinance as well as the Assessor's Class 8 Bulletin have been satisfied, the property should receive the class 8 designation and the corresponding 16% assessment level.

My preliminary review of the materials on file indicates that your client has made application to our office and provided the appropriate municipal enabling ordinance in support of the class 8 designation prior to the commencement of the proposed development and that said development will take place in an area designated as the South Suburban Tax Reactivation Program. As such, the application has been filed in a timely manner, and has received the appropriated municipal approval. Also, the proposed development is located in an area qualified for class 8 incentive properties. Finally, the materials submitted indicate that the proposed new construction is eligible for a class 8 designation. Therefore, it appears that the application is in good order and that the proposed new construction should be eligible for Class 8 designation upon its completion, provided it is completed in a manner consistent with the materials currently on file with the pending application for class 8.

Please be advised that the requirements as listed in the Cook County Classification Ordinance and the Assessor's Class 8 Bulletin must be fully complied with before the Class 8 incentive can be applied. Nothing in this letter, nor the fact that this letter and preliminary review have been provided, should be construed to waive any such requirements or obligations.

Sincerely,

John P. Nyhan  
General Counsel

# EXHIBIT D

Restaurant / Apartments	PROFORMA HOMEWOOD	7/3/2021			
<b>HARD COSTS</b>					
Land Cost	0.530 Acres	@	\$0.00 /SF	1	TIF ELIGIBLE
Brokerage Fee				0	
<b>1. Building -</b>					
<b>A. Commercial Space</b>					
Restaurant	5,813 Sq Ft	@	\$143.00	831,259	
Lobby	662 Sq Ft	@	\$143.00	94,666	
<b>B. Apartments</b>					
Second Floor	11,140 Sq Ft	@	\$143.00 /SF	1,593,020	
Third Floor	11,110 Sq Ft	@	\$143.00 /SF	1,588,730	
Fourth Floor	11,110 Sq Ft	@	\$143.00 /SF	1,588,730	
Roof Terrace	2,784 Sq Ft	@	\$78.00 /SF	217,152	
<b>D. Parking Garage</b>	<b>6,318 Sq Ft</b>	<b>@</b>	<b>\$60.50 /SF</b>	<b>382,239</b>	
<b>Tenant Improvement / Allowance</b>					
<b>A. Commercial Space</b>	<b>Contribution</b>			<b>5,813 Sq Ft</b>	<b>@</b>
			<b>\$17.50 /SF</b>	<b>101,728</b>	
<b>B. Apartments</b>	<b>33,330 Sq Ft</b>	<b>@</b>	<b>\$0.00 /SF</b>	<b>-</b>	
<b>D. Parking Garage</b>	<b>6,318 Sq Ft</b>	<b>@</b>	<b>\$0.00 /SF</b>	<b>-</b>	
<b>2. Site Work</b>					
Demolition	0.530 Acres		LUMP SUM	660,000	514,096
Remediation - Asbestos	Existing Building		Asbestos & Demo	\$85,000	85,000
Utilities			\$70,000	-	70,000
<b>3. Monument Sign</b>					
Line 1, 2 & 3 Above		@	10 PCT	705,752	70,575
<b>4. Contingency</b>					
			<b>HARD COSTS</b>	<u>7,763,277</u>	
<b>SOFT COSTS</b>					
5. ENGINEERING				45,000	45,000
6. ARCHITECTURAL DESIGN & SITE PLAN	\$ 2.00 psf		48,937	97,874	97,874
7. A & E REIMBURSABLES & CONSTRUCTION MNGT				35,000	35,000
8. LENDER ARCH.	10 Visits		\$700.00 /EA	7,000	7,000
9. SURVEY/TESTING/PERMITS				100,000	100,000
10. APPRAISAL & MARKET STUDY			LUMP SUM	10,000	10,000
11. REAL ESTATE TAXES			EST.	60,000	60,000
12. LEGAL & CONSULTING FEES				100,000	100,000
13. TITLE INSURANCE			LUMP SUM	10,000	10,000
14. BUILDERS RISK INS.			EST.	25,000	25,000
15. MARKETING			LUMP SUM	10,000	10,000
16. BROKERS COMMISSION					
Anchors					
Restaurant	5,813 Sq Ft @		\$6.00 /SF	34,878	34,878
15,000 and above	- Sq Ft @		\$6.00 /SF	-	-
5,000 to 14,999	- Sq Ft @		\$6.00 /SF	-	-
4,999 and below	- Sq Ft @		\$0.00 /SF	-	-
19. ACCOUNTING			EST.	25,000	25,000
20. DEV'T OVERHEAD	Lines 1-4	@	4 PCT	310,531	
21. CONST MGMT	Lines 1-4	@	4 PCT	310,531	31,053
21. CONTINGENCY	Lines 5-20	@	10 PCT	55,975	5,598
			<b>SOFT COSTS</b>	<u>1,236,789</u>	
<b>INTEREST EXPENSE</b>					
22. CONST. PERIOD INTEREST*					
LAND	4.75%	18 mos.	1 100%	0	
IMPROVEMENTS	4.75%	12 mos.	7,763,276 50%	184,378	184,378
SOFT	4.75%	12 mos.	1,236,789 50%	29,374	29,374
SOFT+IMP.	4.75%	6 mos.	9,000,065 100%	213,752	213,752
22. CONST. PERIOD INCOME					
A. Anchors		0 mos.		-	
B. Retail		0 mos.		-	
			<b>INTEREST EXPENSE</b>	<b>427,503</b>	
<b>FINANCE FEES</b>					
23. CONSTRUCTION LOAN FEE 0.5 PT.				66,250	66,250
24. PERMANENT LOAN FEE 1.0 PT.				85,000	85,000
			<b>FINANCE FEES</b>	<u>151,250</u>	
			<b>PERM'T LOAN INTEREST</b>		1,644,050
25. Homewood Tax Incentive (NPV)				\$0	
			<b>TOTAL PROJECT COST</b>	<u>9,578,819</u>	
			<b>COST PSF</b>	<u>\$ 195.74</u>	<b>3,558,877</b>

# EXHIBIT D

**INCOME**

A. Commercial Space	\$	17.50 /SF		5,813 SF	101,728
B. Apartments					-
Second Floor	12 units	\$	-	/SF	11,110 SF
Third Floor	12 units	\$	-	/SF	207,000
Fourth Floor	12 units			/SF	207,000
D. Parking Garage	10 spaces	\$	100.00	per month	12
E. Tax Increment Contribution				<i>Projected</i>	183,500
F. General Fund Contribution				<i>Projected</i>	119,000
Average Rent	\$	26.21	/SF	39,155	1,026,428

Existing N.O.I. 1,026,428

VACANCY FACTOR		-5.00% PCT			(36,196)
STRUCTURAL RESERVE		\$0.00	PSF		-
MANAGEMENT EXPENSE		-4.00%			-
REAL ESTATE TAXES			36 units	\$5,000 per unit	(180,000)
OPERATING EXPENSES	Includes Mangement Fee				(50,000)
Average Net Ren	\$	15.53	/SF	NET INCOME	760,231

CASH ON COST RETURN (YIELD) 7.94% PROJECT COST 9,578,819

**VALUE AND DEBT ANALYSIS**

NET INCOME	\$	760,231			9,578,819
PROJECT COST					\$ 9,578,819
MORTGAGE @ 80% OF COSTS				CONSTANT	\$ 7,663,055
CONSTANT @ 4.75% - 25 YEAR AMORTIZATION-10 YR BALLOON				ANNUAL DEBT SER	\$ 524,153
				DEBT SERVICE COVER RAT	1.45
GAP - EQUITY					\$ 1,915,764
NET INCOME AFTER DEBT					\$ 236,078
RETURN ON EQUITY					12.32%



# EXHIBIT E

## EXHIBIT J - TAXABLE NON-RECOURSE SUBORDINATE LIEN TAX INCREMENT REVENUE NOTE

STATE OF ILLINOIS  
COUNTY OF COOK  
VILLAGE OF HOMEWOOD

TAXABLE NON-RECOURSE SUBORDINATE LIEN TAX INCREMENT REVENUE NOTE, SERIES 2021  
(DOWNTOWN TRANSIT ORIENTED DEVELOPMENT TIF REDEVELOPMENT PROJECT AREA)

NOTE:  
REGISTERED  
NO. \_\_\_\_\_

PRINCIPAL AMOUNT:  
REGISTERED  
\$ \_\_\_\_\_

KNOW ALL PERSONS BY THESE PRESENTS that the VILLAGE OF HOMEWOOD, COOK COUNTY, ILLINOIS (the "Village"), a non-home rule municipality organized under the laws of the State of Illinois, for value received acknowledges itself to owe and promises to pay to the Registered Owner hereof, or registered assigns, the outstanding Principal Amount of this Note on the Final Maturity hereof. "Final Maturity" means the earliest to occur of (a) the date on which the Village has provided for or payment in full of all principal of and interest on this Note or (b) the earlier of (i) the date which is 20 years from the Dated Date or (ii) \_\_\_\_\_, 202\_\_, the date of the expiration of the Redevelopment Project Area, as provided in the hereinafter defined Redevelopment Agreement, and to pay interest at the hereinafter defined Interest Rate (computed based on a 360-day year of twelve 30-day months) on such Outstanding Principal Amount on \_\_\_\_\_ of each year (being the "Regular Interest Payment Date") until paid, commencing on the first \_\_\_\_\_ following the Dated Date on which funds are available and on deposit in the hereinafter defined Note Fund, except as the hereinafter stated provisions for redemption before maturity may and shall become applicable. The Interest Rate is a rate percent per annum equal to 9.50 %. The Dated Date hereof shall be deemed to be the date of issuance of this Note.

Interest on this Note paid from the Pledged Moneys (as hereinafter defined) is due \_\_\_\_\_ of each year until the earlier of Final Maturity or until this Note is paid in full. Interest when due ("Current Interest") shall be paid from the later of the Dated Date or from the most recent Regular Interest Payment Date to which interest has been paid or duly provided for, until the principal Note is paid or duly provided for, as provided from the EGVTP Sub-Account of the Downtown Transit Oriented Development TIF Redevelopment Project Area Special Tax Allocation Fund (the "Note Fund"), and if funds on deposit and to the credit thereof are insufficient for such purpose and the Village has complied with its obligations to deposit said funds into the Note Fund pursuant to the Redevelopment Agreement, then such failure to pay shall not in and of itself constitute an event of default, but such interest shall be recorded by the Note Registrar as Deferred Accrued Interest ("Deferred Accrued Interest"). The order of payment of interest on this Note shall be *first*, Deferred Accrued Interest, *second*, Current Interest, and *next*, mandatory redemption of the outstanding Principal Amount. Failure to pay when due any installment of Current Interest or any amount of Outstanding Principal Amount due to insufficiency of the hereinafter defined Developer's Incremental Taxes, whether at a Regular Interest Payment Date, at Stated Maturity, Final Maturity or otherwise, shall in no event be deemed to be an event of

## EXHIBIT E

default. The Registered Owner of this Note, by acceptance hereof, expressly agrees and acknowledges that (i) there may be Deferred Accrued Interest hereon, that is, that Current Interest may not have been paid, with no special notation having been made upon this Note, and (ii) the amounts due of outstanding Principal Amount hereof and interest are subject to adjustment as provided in the defined Redevelopment Agreement.

The principal of this Note shall be payable by check or draft in lawful money of the United States of America upon presentation at the principal office maintained for the purpose by the Village Treasurer, as paying agent and note registrar (the "Note Registrar"). Interest on this Note shall be paid to the Registered Owner hereof as shown on the Register at the close of business on the [15th day of the month immediately before /1<sup>st</sup> day of the month of] the Regular Interest Payment Date. Interest shall be paid by check or draft of the Village, 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 Note Registrar in writing or as directed by such Registered Owner, all as provided in the hereinafter defined Note Ordinance.

This Note is also subject to mandatory redemption by operation of the Note Fund (as such term is hereinafter defined), at par plus accrued interest without premium, on any date, whenever an annual Accounting shall demonstrate that there is on deposit in the Note Fund an amount in excess of the sum of: (i) the principal of and interest due on any outstanding Tax Exempt Non-Recourse Senior Lien Tax Increment Revenue Notes (Downtown Transit Oriented Development TIF Redevelopment Project Area) due during the Note Year commencing on the \_\_\_\_\_ next succeeding such Accounting, plus (ii) the principal of and interest due on any outstanding Tax Exempt Non-Recourse Subordinate Lien Tax Increment Revenue Notes (Downtown Transit Oriented Development TIF Redevelopment Project Area) due during the Note Year commencing on the \_\_\_\_\_ next succeeding such Accounting, plus (iii) the amount required to pay any interest reserve on this Note, plus all Deferred Accrued Interest, plus Current Interest due during the Note Year commencing on the \_\_\_\_\_ next succeeding such Accounting, plus (iv) an amount not to exceed the greater of earnings on the Note Fund in the immediately preceding Note Year, or 1/12 of the principal and interest payments made on this Note in the prior Note Year. Notwithstanding the foregoing, this Note may not be prepaid for a period of \_\_\_\_ (\_\_) years after the date of issuance, except as provided in the Redevelopment Agreement or unless otherwise agreed to by the Developer.

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

This Note is also subject to redemption before maturity, at the option of the Village, in whole or in part, from any available funds, on any date on or after \_\_\_\_\_, 20\_\_, at the redemption price of par plus accrued interest to the date fixed for redemption.

Subject to the provisions of the hereinafter defined in the Redevelopment Agreement and any Ordinance authorizing the issuance of this Note (the "Note Ordinance"), this Note may be

## EXHIBIT E

transferred as a whole but not in part. Upon surrender of this Note at the principal office maintained for the purpose by the Note Registrar, accompanied by a written instrument or instruments of transfer in form satisfactory to the Note Registrar and duly executed by the Registered Owner or an attorney for such owner duly authorized in writing, the Note Registrar shall register this Note in the name of the new Registered Owner on the registration grid provided, and shall also enter the name and address of the new registered owner in the Note Registrar, or at the Registered Owner's option, the Note Registrar shall issue a new Note of the same maturity and terms and for the same aggregate principal amount to the transferee in exchange for this Note.

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 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 is issued under Division 74.4 of Article 11 of the Illinois Municipal Code (the "TIF Act"), and all laws amendatory thereof and supplemental thereto, and the principal of and interest, and premium, if any, hereon are payable solely from, on parity with any additional Taxable Non-Recourse Subordinate Lien Tax Increment Revenue Notes (Downtown Transit Oriented Development TIF Redevelopment Project Area) if issued under the Redevelopment Agreement and subordinate to any Tax Exempt Non-Recourse Senior Lien Tax Increment Revenue Notes (Downtown Transit Oriented Development TIF Redevelopment Project Area) and any Tax Exempt Non-Recourse Subordinate Lien Tax Increment Revenue Notes (Downtown Transit Oriented Development TIF Redevelopment Project Area) if issued under the Redevelopment Agreement, (i) the Developer's Incremental Taxes on deposit in and pledged to the Note Fund and (ii) the investment earnings thereon (the Developer's Incremental Taxes and the investment earnings thereon being, collectively, the "Pledged Moneys" under the Note Ordinance). This Note is being issued to pay or reimburse a portion of certain costs of a redevelopment project in the Redevelopment Project Area, all as described in proceedings adopted by the President and Board of Trustees of the Village (the "Corporate Authorities") under the Act and the Note Ordinance, and in the Redevelopment Agreement, to all the provisions of which the holder by the acceptance of this Note assents. Under the Act, the Note Ordinance, and the Redevelopment Agreement, the Incremental Property Taxes shall be deposited in the Special Tax Allocation Fund. Developer's Incremental Taxes on deposit in the Note Fund shall be used first and are pledged for paying the principal of and interest on this Note and then in making any further required payments to any funds and accounts as provided by the Note Ordinance.

Terms used but not defined herein shall have the same meaning as provided in the Note Ordinance and the Redevelopment Agreement. If any conflict arises between this Note and the Redevelopment Agreement, the Redevelopment Agreement shall control. The terms of the Redevelopment Agreement are incorporated into this Note by this reference thereto as if fully set forth herein.

This Note, together with the interest thereon, is a limited obligation of the Village, payable solely from the Pledged Moneys and the amounts on deposit in and pledged to the Note Fund as provided in the Note Ordinance and the Redevelopment Agreement. Additional obligations on a

## EXHIBIT E

parity with this Note may be issued as provided in the Redevelopment Agreement and the Note Ordinance provided. For the prompt payment of this Note, both principal and interest, as aforesaid, at Stated Maturity, the Pledged Moneys are irrevocably pledged. THIS NOTE SHALL NOT CONSTITUTE A GENERAL OBLIGATION OF THE VILLAGE, NOR IS IT SECURED BY THE FULL FAITH AND CREDIT OF THE VILLAGE. THE NOTE IS PAYABLE SOLELY FROM DEVELOPER'S INCREMENTAL TAXES DEPOSITED FROM TIME TO TIME INTO THE NOTE FUND. INSUFFICIENCY OF THE NOTE FUND TO PAY INTEREST OR PRINCIPAL OBLIGATION RELATING TO THE VILLAGE WHEN DUE SHALL NOT BE A DEFAULT THEREON, AND NO HOLDER OF THIS NOTE SHALL HAVE ANY RECOURSE WHATSOEVER AGAINST THE VILLAGE IN THE EVENT THAT THE DEVELOPER'S INCREMENTAL TAXES ARE INSUFFICIENT TO PAY ANY INTEREST OR PRINCIPAL OBLIGATION WHEN DUE, WHETHER AT STATED MATURITY OR REDEMPTION.

The Village expressly finds and determines that the Final Maturity of this Note does not exceed the earlier of (i) the date which is twenty (20) years from the Dated Date or (ii) the twenty-third (23rd) anniversary of the date of designation by the Corporate Authorities of the Redevelopment Project Area, to-wit: \_\_\_\_\_, 202\_\_.

It is certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in issuing this Note did exist, have happened, been done and performed in regular and due form and time as required by law, and the Village covenants and agrees that it has provided for the segregation of the Pledged Moneys and that it will properly account for the 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 Note Registrar.

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

**EXHIBIT E**

IN WITNESS WHEREOF the Village has caused this Note to be signed by the manual or duly authorized facsimile signatures of its President and by its Village Clerk and its corporate seal or a facsimile thereof to be affixed, all as of the date of delivery hereof, to wit, the \_\_\_\_ day of \_\_\_\_\_, 202\_\_.

VILLAGE OF HOMEWOOD, COOK COUNTY,  
ILLINOIS

[SEAL]

By \_\_\_\_\_  
President, Village of Homewood,  
Cook County, Illinois

Attest:

\_\_\_\_\_  
Village Clerk, Village of Homewood  
Cook County, Illinois

Date of Authentication: \_\_\_\_\_, 202\_\_

CERTIFICATE  
OF  
AUTHENTICATION

Note Registrar and Paying Agent:  
\_\_\_\_\_, \_\_\_\_\_,  
Illinois

This Note is the Note described in the within mentioned Note Ordinance and is the Taxable Non-Recourse Subordinate Lien Tax Increment Revenue Note, Series 202\_ (Downtown Transit Oriented Development TIF Redevelopment Project Area), of the Village of Homewood, Cook County, Illinois.

VILLAGE TREASURER,  
as Note Registrar

By \_\_\_\_\_



# EXHIBIT F

Restaurant / Apartments	PROFORMA HOMEWOOD				7/3/2021
<b>HARD COSTS</b>					
Land Cost	0.530	Acres	@	\$0.00 /SF	1
Brokerage Fee					0
<b>1. Building -</b>					
<b>A. Commercial Space</b>					
Restaurant	5,813	Sq Ft	@	\$143.00	831,259
Lobby	662	Sq Ft	@	\$143.00	94,666
<b>B. Apartments</b>					
Second Floor	11,140	Sq Ft	@	\$143.00 /SF	1,593,020
Third Floor	11,110	Sq Ft	@	\$143.00 /SF	1,588,730
Fourth Floor	11,110	Sq Ft	@	\$143.00 /SF	1,588,730
Roof Terrace	2,784	Sq Ft	@	\$78.00 /SF	217,152
<b>D. Parking Garage</b>					
	6,318	Sq Ft	@	\$60.50 /SF	382,239
<b>Tenant Improvement / Allowance</b>					
A. Commercial Space	5,813	Sq Ft	@	\$17.50 /SF	101,728
B. Apartments	33,330	Sq Ft	@	\$0.00 /SF	-
D. Parking Garage	6,318	Sq Ft	@	\$0.00 /SF	-
<b>2. Site Work</b>					
	0.530	Acres		LUMP SUM	660,000
Demolition		Existing Building		Asbestos & Demo	\$85,000
Remediation - Asbestos				\$70,000	-
Utilities					-
<b>3. Monument Sign</b>					
			@	10 PCT	705,752
<b>4. Contingency</b>					
		Line 1, 2 & 3 Above	@	10 PCT	705,752
				<b>HARD COSTS</b>	<b>7,763,277</b>
<b>SOFT COSTS</b>					
<b>5. ENGINEERING</b>					
					45,000
<b>6. ARCHITECTURAL DESIGN &amp; SITE PLAN</b>					
	\$	2.00	psf	48,937	97,874
<b>7. A &amp; E REIMBURSABLES &amp; CONSTRUCTION MNGT</b>					
					35,000
<b>8. LENDER ARCH.</b>					
	10	Visits		\$700.00 /EA	7,000
<b>9. SURVEY/TESTING/PERMITS</b>					
					100,000
<b>10. APPRAISAL &amp; MARKET STUDY</b>					
				LUMP SUM	10,000
<b>11. REAL ESTATE TAXES</b>					
				EST.	60,000
<b>12. LEGAL &amp; CONSULTING FEES</b>					
					100,000
<b>13. TITLE INSURANCE</b>					
				LUMP SUM	10,000
<b>14. BUILDERS RISK INS.</b>					
				EST.	25,000
<b>15. MARKETING</b>					
				LUMP SUM	10,000
<b>16. BROKERS COMMISSION</b>					
<b>Anchors</b>					
Restaurant	5,813	Sq Ft @		\$6.00 /SF	34,878
15,000 and above	-	Sq Ft @		\$6.00 /SF	-
5,000 to 14,999	-	Sq Ft @		\$6.00 /SF	-
4,999 and below	-	Sq Ft @		\$0.00 /SF	-
<b>19. ACCOUNTING</b>					
				EST.	25,000
<b>20. DEV'T OVERHEAD</b>					
		Lines 1-4	@	4 PCT	310,531
<b>21. CONST MGMT</b>					
		Lines 1-4	@	4 PCT	310,531
<b>21. CONTINGENCY</b>					
		Lines 5-20	@	10 PCT	55,975
				<b>SOFT COSTS</b>	<b>1,236,789</b>
<b>INTEREST EXPENSE</b>					
<b>22. CONST. PERIOD INTEREST*</b>					
LAND	4.75%	18 mos.		1	100%
IMPROVEMENTS	4.75%	12 mos.		7,763,276	50%
SOFT	4.75%	12 mos.		1,236,789	50%
SOFT+IMP.	4.75%	6 mos.		9,000,065	100%
					213,752
<b>22. CONST. PERIOD INCOME</b>					
<b>A. Anchors</b>					
		0 mos.			-
<b>B. Retail</b>					
		0 mos.			-
				<b>INTEREST EXPENSE</b>	<b>427,503</b>
<b>FINANCE FEES</b>					
<b>23. CONSTRUCTION LOAN FEE 0.5 PT.</b>					
					66,250
<b>24. PERMANENT LOAN FEE 1.0 PT.</b>					
					85,000
				<b>FINANCE FEES</b>	<b>151,250</b>
<b>25. Homewood Tax Incentive (NPV)</b>					
					\$0
				<b>TOTAL PROJECT COST</b>	<b>9,578,819</b>
				<b>COST PSF</b>	<b>\$ 195.74</b>

# EXHIBIT F

## INCOME

A. Commercial Space	\$	17.50 /SF	5,813 SF	101,728
B. Apartments				-
Second Floor	12 units \$	- /SF	11,110 SF	207,000
Third Floor	12 units \$	- /SF	11,110 SF	207,000
Fourth Floor	12 units	/SF	11,110 SF	207,000
D. Parking Garage	10 spaces \$	100.00 per month	12	1,200
E. Tax Increment Contribution		per year	<i>Projected</i>	183,500
F. General Fund Contribution		per year	<i>Projected</i>	119,000
Average Rent	\$	26.21 /SF	39,155	1,026,428
Existing N.O.I.				1,026,428
VACANCY FACTOR				-5.00% PCT (36,196)
STRUCTURAL RESERVE				\$0.00 PSF -
MANAGEMENT EXPENSE				-4.00% -
REAL ESTATE TAXES				36 units \$5,000 per unit (180,000)
OPERATING EXPENSES				Includes Mangement Fee (50,000)
Average Net Ren \$				15.53 /SF
NET INCOME				760,231
CASH ON COST RETURN (YIELD)				7.94%
PROJECT COST				9,578,819

## VALUE AND DEBT ANALYSIS

NET INCOME	\$	760,231		
PROJECT COST			\$	9,578,819
MORTGAGE @ 80% OF COSTS				
CONSTANT @ 4.75% - 25 YEAR AMORTIZATION-10 YR BALLOON				
			\$	7,663,055
			CONSTANT	0.06840
			ANNUAL DEBT SER'	\$ 524,153
			DEBT SERVICE COVER RATIO	1.45
GAP - EQUITY				
NET INCOME AFTER DEBT			\$	1,915,764
RETURN ON EQUITY			\$	236,078
				12.32%



# EXHIBIT G

## BUILDING DEMOLITION AGREEMENT

In addition to the cost reimbursements identified in Section 5 and Exhibit D of this Agreement, the Village agrees to reimburse the Developer for the cost of demolishing the existing one-story building (the "Building") on the Property according to these terms:

### 1. COST OF DEMOLITION

The Developer has obtained estimates for asbestos abatement and demolition of the Building totaling \$143,580.00. The Village finds these estimated costs to be reasonable.

### 2. UNDERTAKING ON PART OF THE VILLAGE

The Village agrees to reimburse Developer for the cost of asbestos abatement and demolition of the Building for an amount not to exceed \$143,580.00 in a lump sum.

### 3. UNDERTAKINGS ON PART OF THE OWNER

a. The Developer shall comply with all requirements imposed by the Homewood Municipal Code and all other governmental requirements regulating the demolition.

b. Developer shall execute all contracts in connection with the demolition and ensures that the demolition is completed in accordance with said contracts.

c. Within sixty (60) days of closing on the Developer's purchase of the property described in the Purchase and Sale Agreement (Exhibit A), the Developer shall submit a written reimbursement request to the Village Manager along with the following documentation:

- i. Copies of cancelled checks or other evidence that Developer has paid for the demolition;
- ii. Lien waivers from all general contractors, subcontractors, and materialmen who provided services or materials for the demolition.

### 4. GENERAL TERMS AND CONDITIONS

a. Developer shall not be entitled to reimbursement from the Village under this Agreement until the Building is fully demolished.

**EXHIBIT G**

b. Developer shall allow Village inspectors reasonable access to the Property to determine that the demolition complies with the approved plans and local codes.

c. Developer shall require all contractors performing the asbestos abatement and demolition to provide worker's compensation and liability insurance in amounts satisfactory to the Village, naming the Village and the Developer as additional insured.

d. Developer shall require each contractor to indemnify and hold the Village harmless from all claims arising out of this Agreement resulting from the Developer's or contractor's negligence, including claims for personal injury, wrongful death and property damage. Developer agrees to indemnify and hold the Village harmless from all such claims arising out of this Agreement resulting from the Developer's negligence or willful and wanton conduct.

e. All other terms of the Redevelopment Agreement between the Village and the Developer not addressed in this Agreement are incorporated by reference as if restated herein.

IN WITNESS WHEREOF, this Agreement is entered into as of July 27, 2021.

**Village of Homewood  
an Illinois municipal corporation**

**HCF Homewood, LLC,  
an Illinois limited liability company**

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

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

Attest:  
  
\_\_\_\_\_  
Village Clerk

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

**EXHIBIT H**

**MEMORANDUM OF AGREEMENT**

On July 27, 2021, the Village of Homewood, Cook County, Illinois (“Village”) and HCF Homewood, LLC, an Illinois limited liability company (“Developer”), entered into a Redevelopment Agreement covering the following described property.

Lots Nine (9), Ten (10), Eleven (11) and Twelve (12) in Block “A” in the Village of Hartford (Now the Village of Homewood), being a Subdivision in the Northeast Quarter (1/4) of the Southwest Quarter (1/4) of Section 31, Township 36 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel Identification Nos. 29-31-310-008-0000, 29-31-310-009-0000, 29-31-310-010-0000, and 29-31-310-011-0000

That Redevelopment Agreement provided for transfer of the said property from Village to Developer and constructing certain improvements by Developer on the said property.

The said Redevelopment Agreement contains additional provisions, including certain restrictions on the transfer or assignment by Developer of any interest in the said real estate.

HCF Homewood, LLC  
By: \_\_\_\_\_  
\_\_\_\_\_

VILLAGE OF HOMEWOOD  
By: \_\_\_\_\_  
Christopher J. Cummings  
Village Attorney

Title  
STATE OF ILLINOIS        )  
  )  
  )        ss.  
COUNTY OF COOK        )

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_, a duly authorized officer or attorney for HCF Homewood, LLC, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their free and voluntary act for the uses and purposes set forth therein.

Given under my hand and Notarial Seal on \_\_\_\_\_, 2021.

\_\_\_\_\_  
Notary Public

**EXHIBIT H**

STATE OF ILLINOIS        )  
  )        ss.  
COUNTY OF COOK        )

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Christopher J. Cummings, Village Attorney for the Village of Homewood, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their free and voluntary act for the uses and purposes set forth therein.

Given under my hand and Notarial Seal on \_\_\_\_\_, 2021.

\_\_\_\_\_  
Notary Public

This document prepared by Christopher J. Cummings, Christopher J. Cummings, P.C., 2024 Hickory Rd., Suite 205, Homewood IL 60430.